



United States

v.

David Harbour

# Defendant's Scheme to Defraud

**Defendant** – Convinced individuals to invest by promising a high steady return of investment

**Initial Investors** – Individuals invest with Defendant, initially received some investment return

Money from subsequent investors used to pay some promised returns of early investors

**More Investors** – Individuals hear promising returns from others, more individuals invested money with Defendant

# Appearance of Success Lured Investors

Private Jets

Luxury Homes

Vehicles

Golf Course & Country Club Memberships

# Defendant's "Hunting Ground"

- ▶ Gozzer Ranch Golf Club
- ▶ El Dorado Golf Club
- ▶ Silverleaf Country Club
- ▶ Whisper Rock Golf Club
- ▶ Paradise Valley Country Club



# Used Lies, Half-Truths, and Omissions to Keep Fraud Afloat

Text Messages & E-Mails

Phone Calls

Interviews

Under Oath Deposition Testimony

What He Failed to Say

# Defendant's Scheme to Defraud FUELED BY HIS LIES

Lied and misrepresented to get the money



Used investor money to enrich himself



Used investor money to pay earlier investors

# Defendant's Lies

- ▶ Façade of success and wealth
- ▶ Unobtainable rates of return
- ▶ Took investors money and diverted most of it to enrich himself
- ▶ Blame game
- ▶ Ponzi payments



**DAVID  
HARBOUR**

# You Heard From 20 Individuals



# Wendi Yaeger

- ▶ Defendant insisted Yaeger obtain American Express Black Card for clout and influence
- ▶ Defendant could not qualify due to his poor credit
- ▶ Defendant continually missed paying the credit card bill
- ▶ Yaeger now has a lien against her home due to American Express lawsuit for outstanding bill



# Harbour Interviewed by FTC

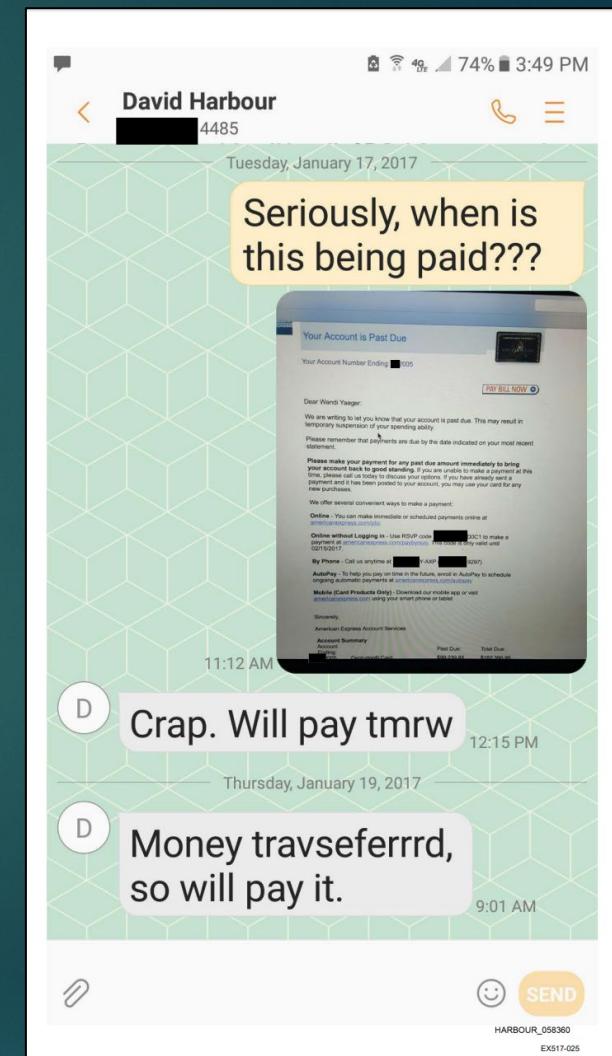
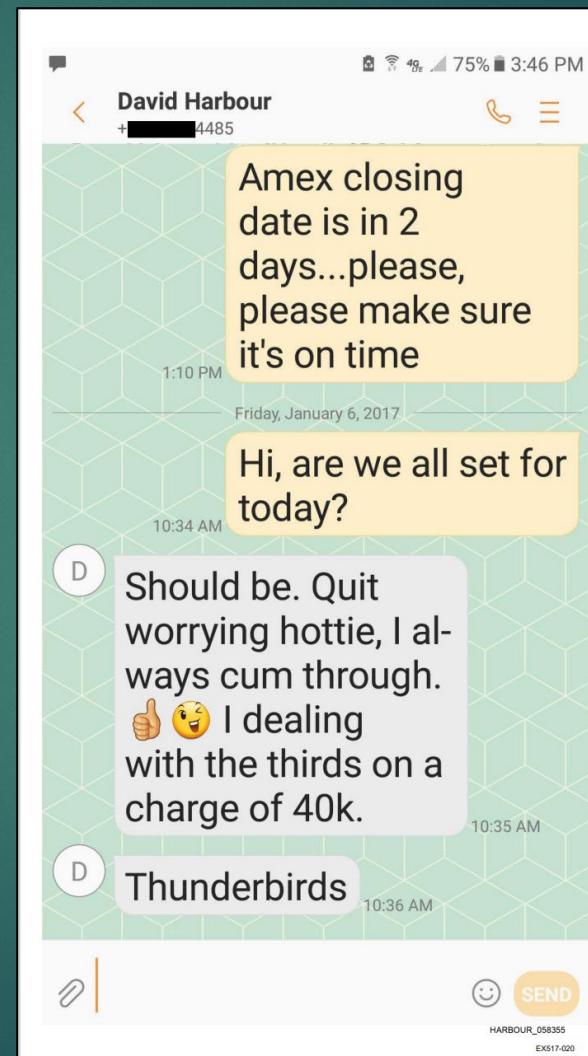
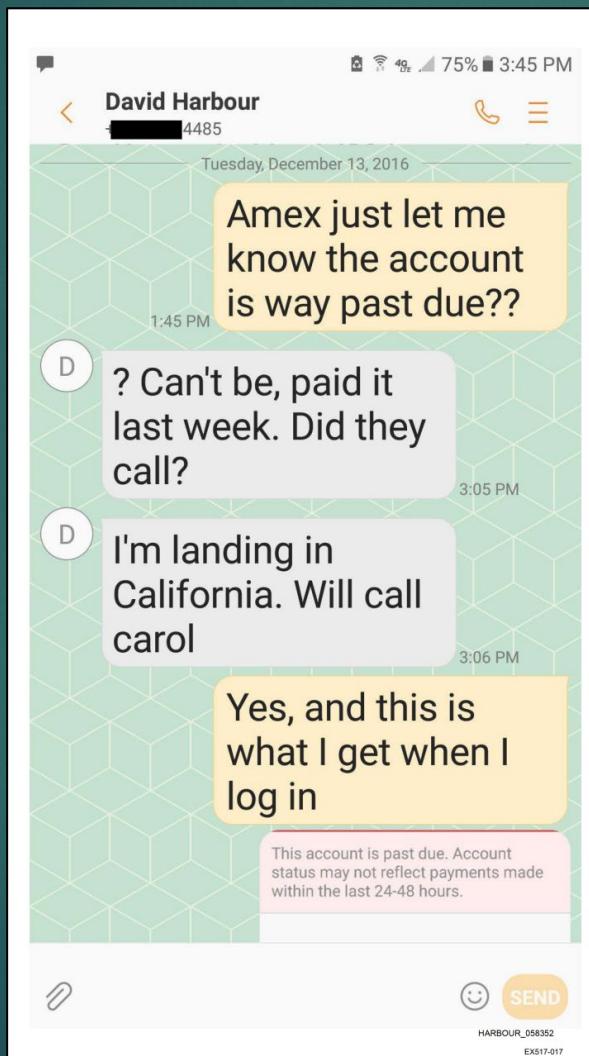
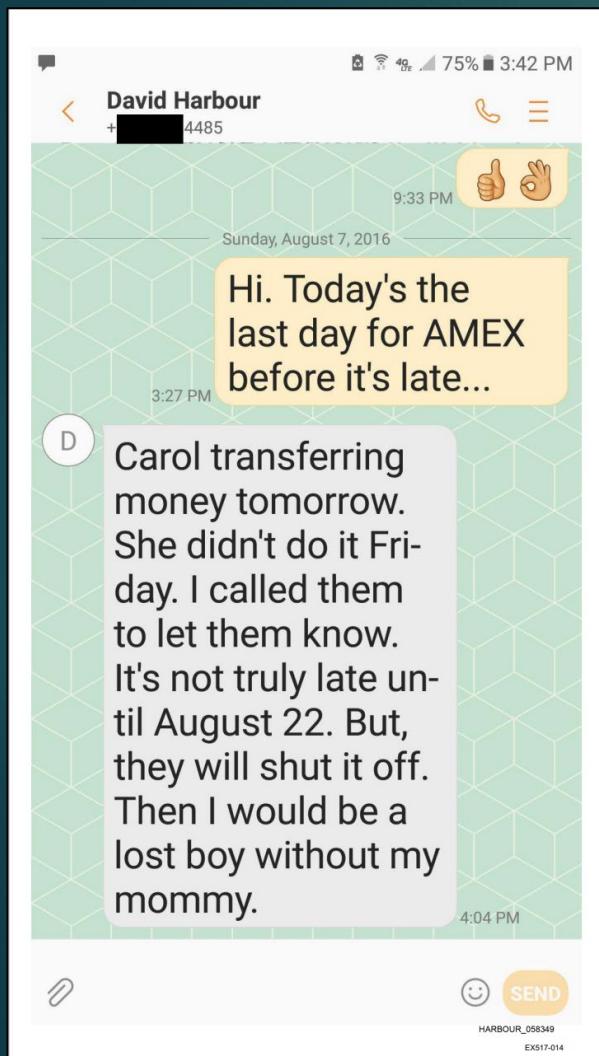
Q. What account is American Express?

A. It's under a lady named Wendi Yaeger.

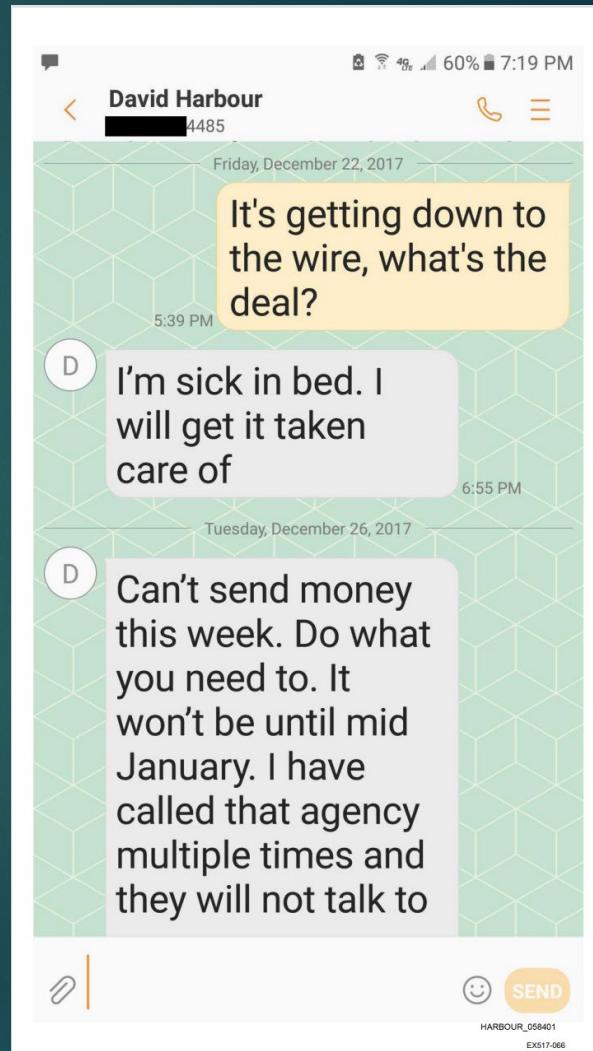
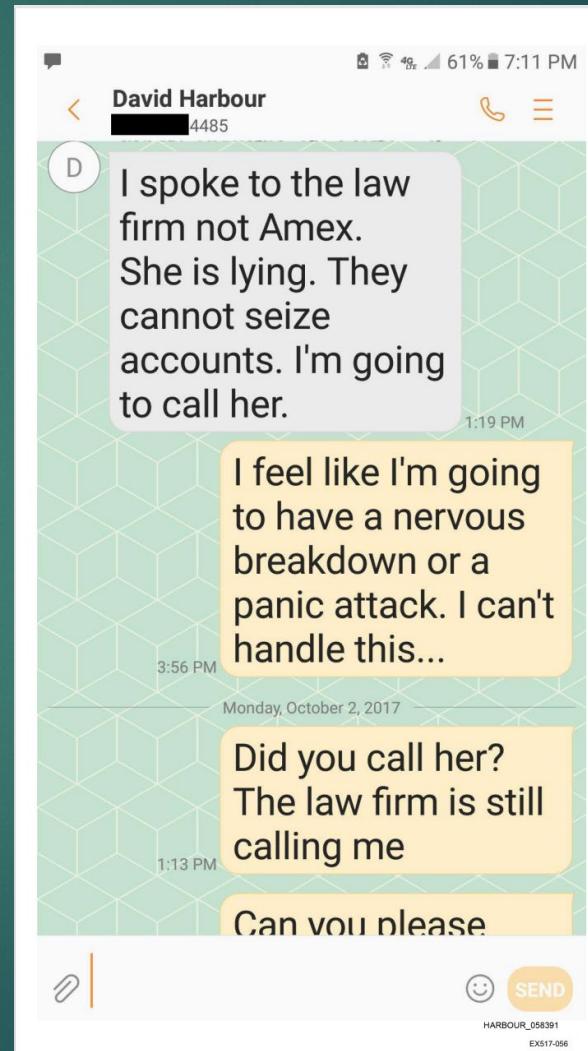
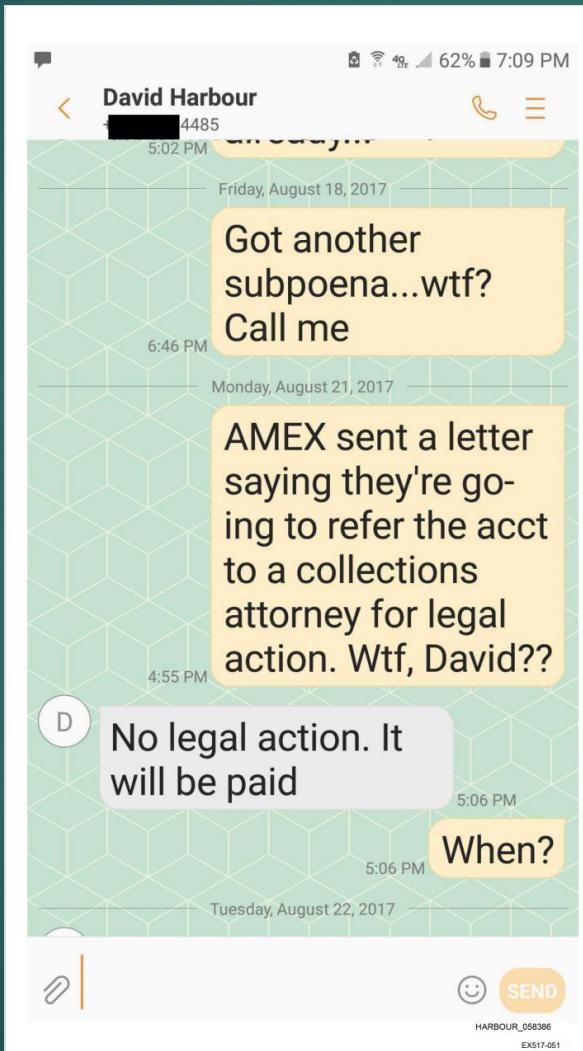
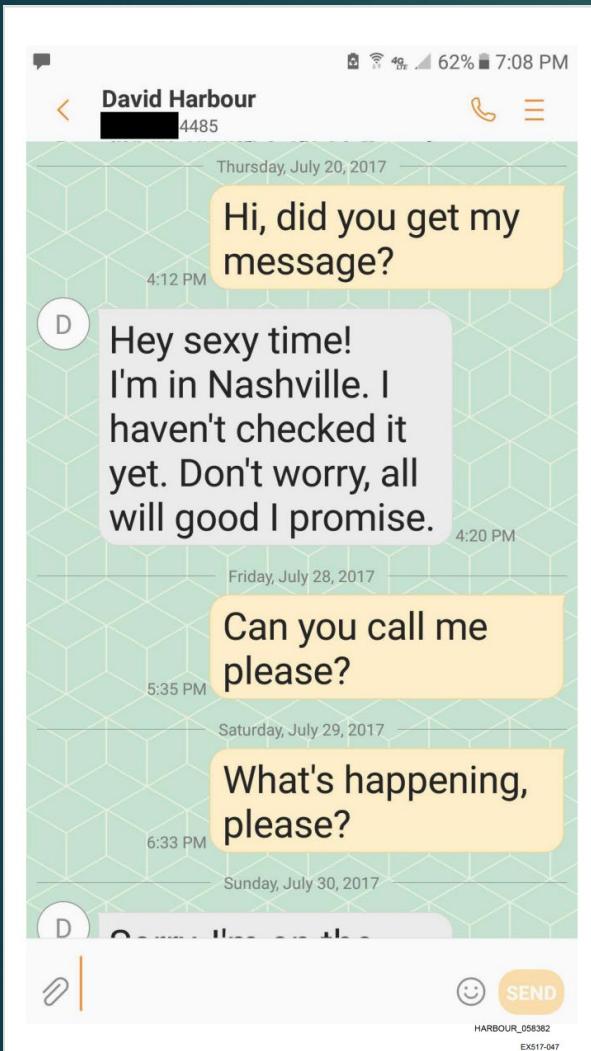
Q. And who is she?

A. Just a dear friend of the family.

# Defendant Continued Excuses. . .



# Defendant Left Yaeger with the Bill...



# Defendant's Scheme to Defraud

**Pat Spaulding Fraud (2007 – 2014)**

**Rhonda Gray Fraud (2010 – 2016)**

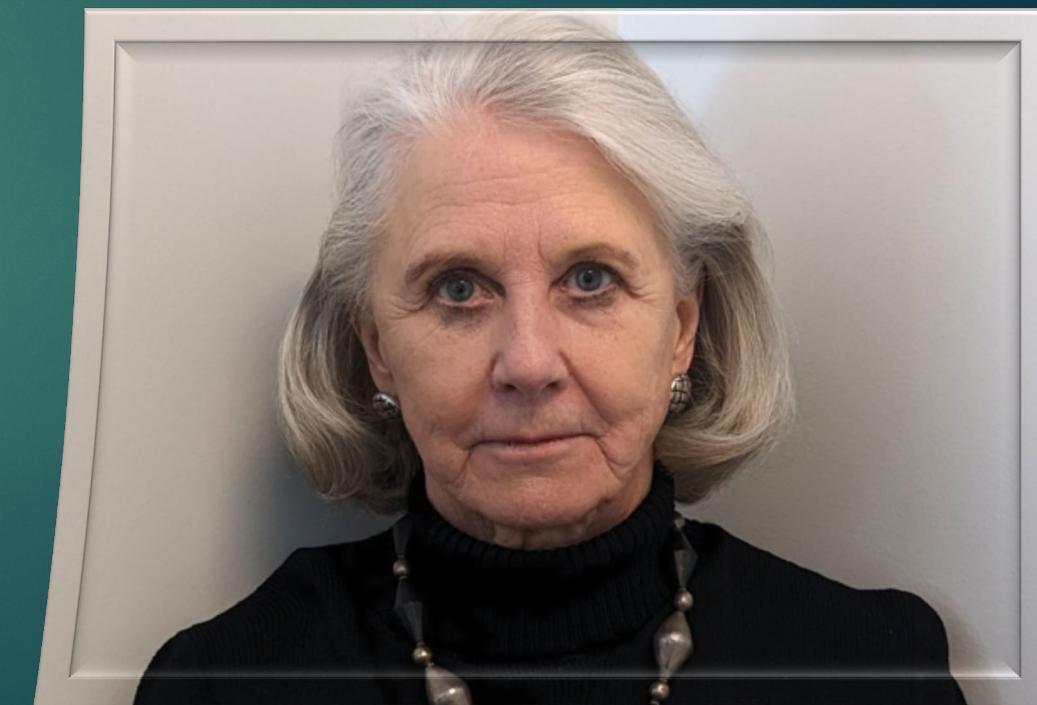
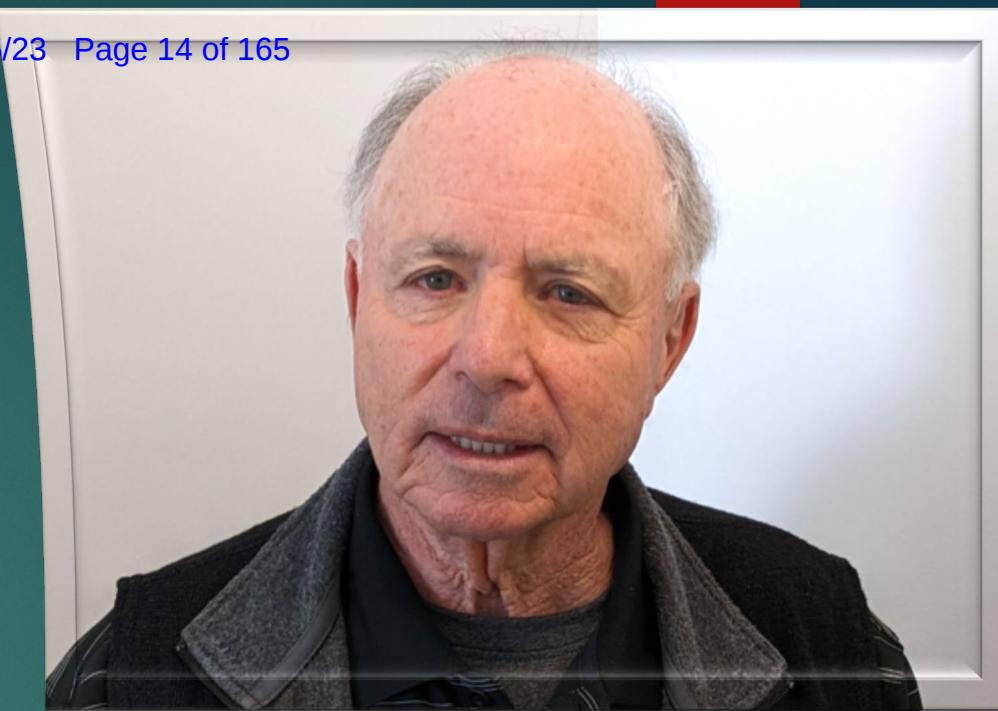
**KSQ / Canyon Road Fraud  
(2011 – 2014)**

**Green Circle Fraud  
(2014 – 2016)**

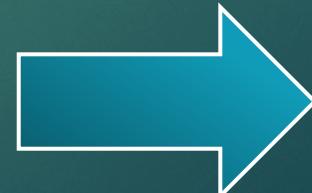
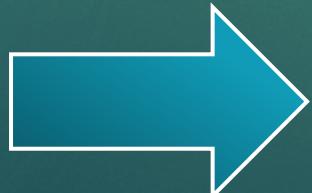
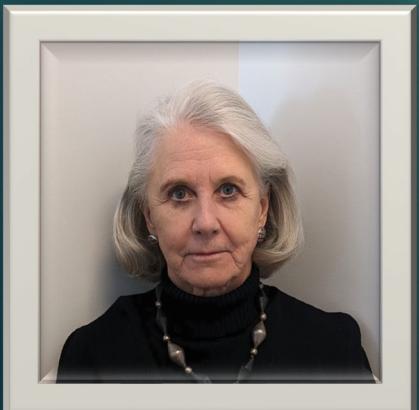
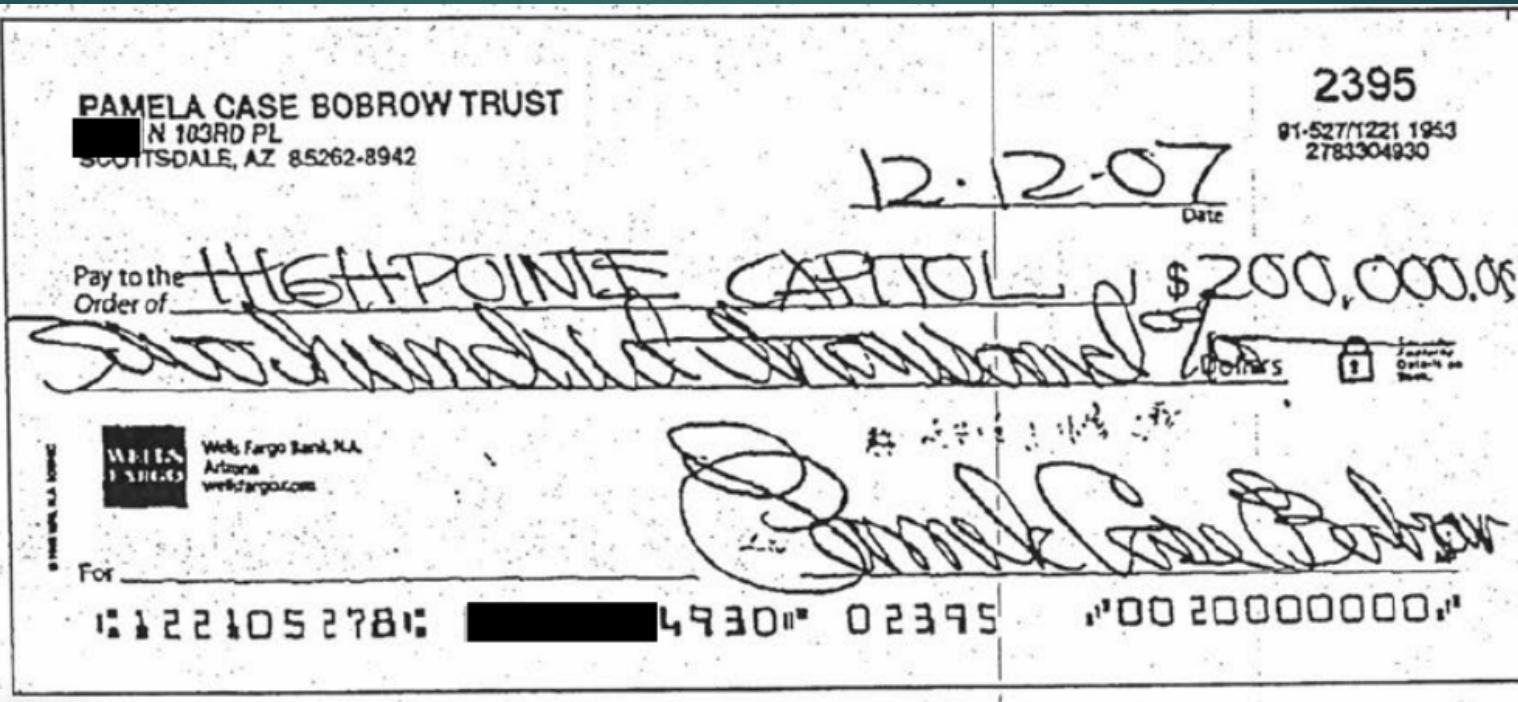


# Ken Bobrow & Pam Case

- ▶ In 2007, Bobrow and Case invested \$2,500,000 with Defendant for a purported investment with Dollar Stores and Student Housing
- ▶ Defendant creates “Pat Spaulding” \$7,000,000 promissory note, 2007
- ▶ Defendant has Carol Hill send email to an account in Pat Spaulding’s name, account created in 2014 – five years after Spaulding died



# Pam Case, 2007 -- \$200,000



DAVID  
HARBOUR

# December 2007, Defendant obtains \$2,500,000 from Pam Case / Ken Bobrow



DAVID  
HARBOUR

## LOAN AGREEMENT

This Loan Agreement is made as of December 17, 2007 by and among **103<sup>RD</sup> AND HALSTED CURRENCY EXCHANGE, INC.**, an Illinois corporation (“103”), **HIGHPOINTE CAPITAL GROUP, LLC**, an Arizona limited liability company (“HPCG”), and **DAVID HARBOUR** (“Harbour”).

## RECITALS

- A. Harbour is the sole member of HPCG.
- B. HPCG is in the business of, among other things, investing funds loaned to it.
- C. 103 desires to loan \$2,500,000 (the “103 Funds”) to HPCG and HPCG desires to borrow and to invest the 103 Funds all on the terms and conditions set forth herein.



PROMISSORY NOTE

\$7,000,000.00

July 27, 2007  
Leawood, Kansas

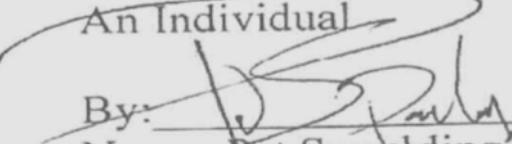
1. Promise to Repay. For value received, Pat Spaulding, an Individual, as maker ("Borrower"), at 84512 Broadway St., Kansas City Missouri 64101, hereby promises to pay to the order of HighPointe Capital Group, a(n) Arizona Limited Liability Company ("Lender"), at 10740 Nall Avenue, Leawood Kansas 66221 or at such other place as the holder hereof may from time to time designate in writing, a principal sum not to exceed Seven Million Dollars (\$7,000,000.00) ("Loan Amount") advanced by Lender to Borrower. Lender will make Funds available over a twelve (12) month period from the date of the Note.



HIGHPOINTE CAPITAL GROUP, LLC  
an Arizona limited liability company

By   
Name: David Harbour  
Title: CEO

BORROWER:

PAT SPAULDING  
An Individual  
By   
Name: Pat Spaulding  
Title: Individual

# Lisa Berges

- ▶ Long time bookkeeper for Ken Bobrow
- ▶ Defendant made payments on Ken Bobrow's 2007 note related to Dollar Stores and Student Housing
- ▶ Remains unclear what the source of the funds that Defendant used to repay Ken Bobrow, did not see payments made from Dollar Stores and Student Housing



# Pat Spaulding Fraud

## The Lies

- Email to “Pat Spaulding” at PSpaulding1150@gmail.com

**From:** "Carol Hill" <chill@hpcg.com>  
**To:** <pspaulding1150@gmail.com>  
**Sent:** Tuesday, February 11, 2014 4:16 PM  
**Subject:** Pat Spalding

Mr. Spalding,

The email below is being sent to you per the instruction from Mr. Harbour.

Thank you,

Carol Hill  
Assistant to David Harbour

# Pat Spaulding Fraud

## The Reality

- ▶ PSpaulding1150@gmail.com was created in 2014 in Phoenix
- ▶ Patrick Spaulding died in 2009

### **GOOGLE SUBSCRIBER INFORMATION**

Google Account ID: 971757755357

Name: Pat Spaulding

Given Name: Pat

Family Name: Spaulding

e-Mail: pspaulding1150@gmail.com

Alternate e-Mails:

Created on: 2014-02-11 19:36:39 Z

Terms of Service IP: 72.208.110.159

# Craig Jackson

- ▶ In 2009, Defendant obtained \$15,000,000 from Craig Jackson to invest
- ▶ In 2012, Defendant Promises to Reimburse Craig Jackson \$15,000,000





# August 2009, Defendant obtains \$9,000,000 from Craig Jackson

DAVID  
HARBOUR

## C. The \$9 Million Investment in Palo Verde Fund, LP

23. I participated in ~~and caused~~ Craig H. Jackson and the Trust to turn over funds for investment in the Palo Verde Fund.

24. On or about August 20, 2009, the Trust (by Craig H. Jackson) signed a Subscription Agreement whereby it purchased \$9 million of Partnership Interests in the Palo Verde Fund, LP. On or about August 31, 2009, the Trust funded the purchase of the Partnership Interests via a \$9 million wire transfer.

25. Pursuant to the August 4, 2009 agreement between HPCG Management and Craig H. Jackson, I was obligated to oversee the Trust's \$9 million purchase of Partnership Interests in the Palo Verde Fund, LP. Craig H. Jackson, as trustee for the Trust, instructed me and the General Partner of the Palo Verde Fund, LP that the \$9 million investment in Palo Verde Fund, LP should be placed only in conservative and liquid investments and that the Trust needed access to the entire \$9 million, along with all earnings and interest, no later than September 1, 2012.



# August 2009, Defendant obtains \$6,000,000 from Craig Jackson

DAVID  
HARBOUR

## A. The \$6 Million Investment

8. On or about August 31, 2009, I received \$6 million from the Trust.
9. I received the \$6 million via wire transfer sent from the Trust to a bank account controlled by me.
10. I knew that the \$6 million was to be invested for the Trust in accordance with instructions from Craig H. Jackson.
11. Craig H. Jackson, as trustee for the Trust, instructed me that the \$6 million should be placed only in conservative investments and that the Trust needed access to the entire \$6 million no later than September 10, 2012.
12. I understood that it was important to Craig H. Jackson and the Trust that the funds be invested in conservative investments and that the funds be available to Craig H. Jackson and the Trust no later than September 10, 2012.

# Jason Braun

- ▶ Interviewed Defendant about \$15,000,000 Defendant obtained from Craig Jackson and what happened to it
- ▶ No clear answers
- ▶ “*maybe it was a gift*”





# August 2012, Defendant promises to Reimburse Craig Jackson \$15,000,000

## G. Attorneys' Fees and Costs

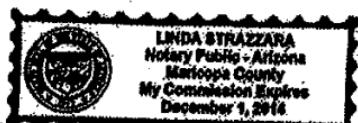
39. On August 13, 2012, I told and promised Craig H. Jackson that I will reimburse Craig H. Jackson and the Trust for any and all reasonable and necessary attorneys' fees that they have incurred and will incur in connection with the recovery of the \$6 million investment, the \$1.9 withdrawal, the \$173,152.39 loan proceeds from the Enrique Chavez loan, the \$9,000,000 investment in Palo Verde Fund, LP, and all accrued and accruing interests and earnings on the \$6 million investment, the \$1.9 withdrawal, the \$173,152.39 loan proceeds from the Enrique Chavez loan, and the \$9,000,000 investment in Palo Verde Fund, LP."

Further affiant sayeth not.

David Harbour, Individually and  
On behalf of Highpointe Management Group, LLC;  
Highpointe Group, LP; Highpointe Capital Group,  
LLC; HPCG, LLC; Highpointe Financial Group,  
LLC; and HPCG Management

Sworn to and subscribed before me by David Harbour on this 15 day of August, 2012.

(SEAL)



Notary Public in and for the State of Arizona

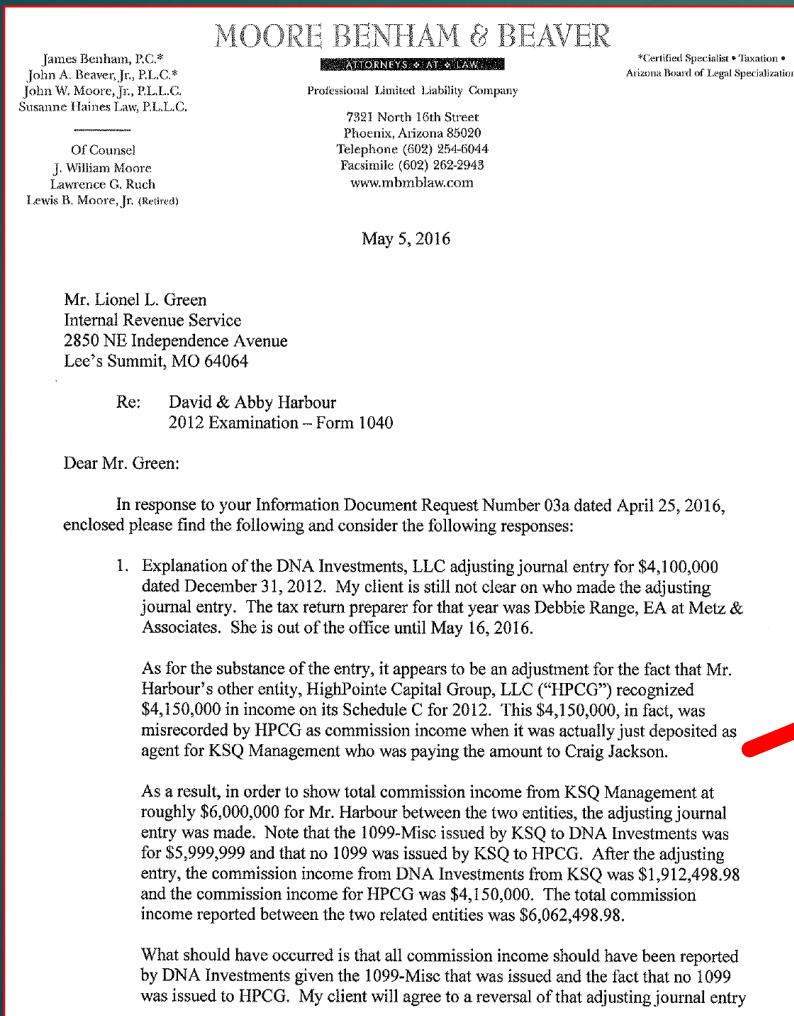
My Commission expires: 12-1-2014

# Lionel Green, IRS

- ▶ Traced funds from Defendant's bank account, saw deposits from KSQ, then payments made to Craig Jackson
- ▶ Craig Jackson did not invest in KSQ or Payday Lending



# In 2016, Defendant Explains Unique Payment to Craig Jackson



\$4,150,000 in income on its Schedule C for 2012. This \$4,150,000, in fact, was misrecoded by HPCG as commission income when it was actually just deposited as agent for KSQ Management who was paying the amount to Craig Jackson.

# Defendant's Scheme to Defraud

Pat Spaulding Fraud (2007 – 2014)

Rhonda Gray Fraud (2010 – 2016)

KSQ / Canyon Road Fraud  
(2011 – 2014)

Green Circle Fraud  
(2014 – 2016)



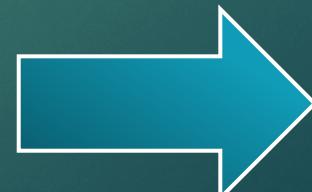
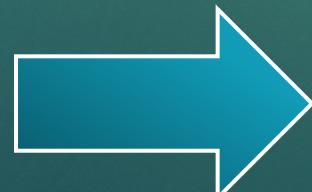
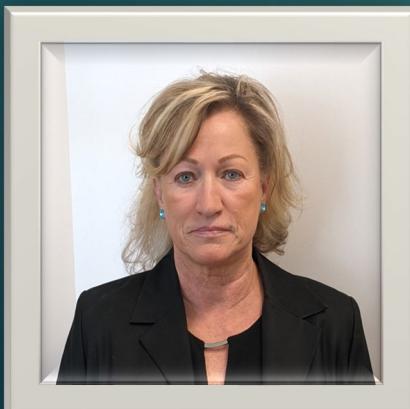
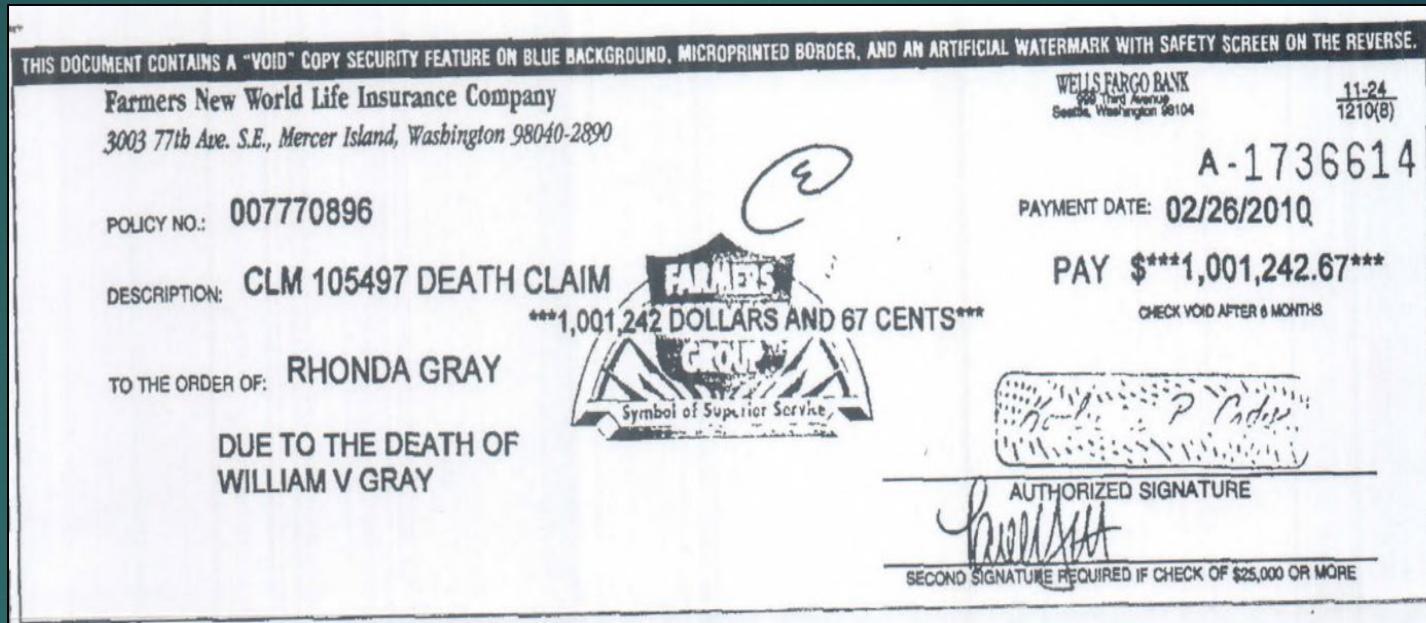
# Rhonda Gray

- ▶ Gray's husband commits suicide
- ▶ Invested \$1,001,242 from Gray's husband's life insurance policy
- ▶ Defendant tells Gray he and Robert Eckholt are working together
- ▶ Not a sophisticated investor



# Rhonda Gray, 2010 -- \$1,001,242

Pay to the order  
of Highpointe Capital  
Group, LLC  
Rhonda Gray  
Rhonda Gray





# Voicemail





# Defendant's Silverleaf Luxury Home

DAVID  
HARBOUR



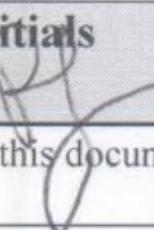
Ex. 878-880

# Defendant Finally Documents Gray's Investment in 2013



DAVID  
HARBOUR

## PROMISSORY NOTE

| Principal      | Loan Date  | Maturity   | Initials  |
|----------------|------------|------------|---|
| \$1,000,000.00 | 03/01/2013 | 04/01/2016 |  |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** HPCG, LLC  
[REDACTED] N. Pima Road  
Scottsdale, AZ 85255

**Lender:** Rhonda Gray  
P.O. Box [REDACTED]  
Scottsdale, AZ 85261

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Principal Amount: \$1,000,000.00

Initial Rate: 5.00%

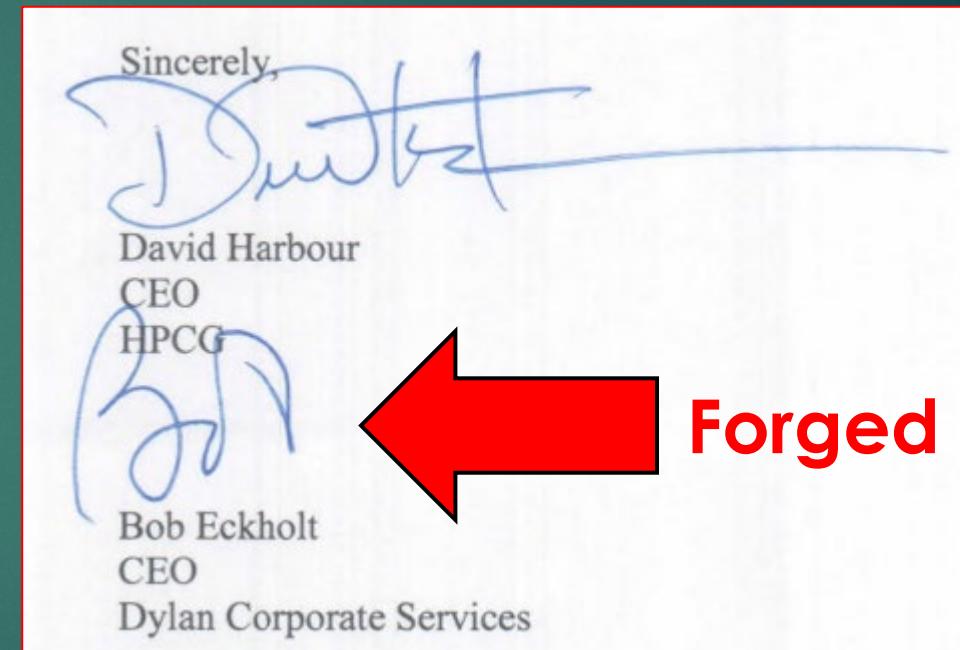
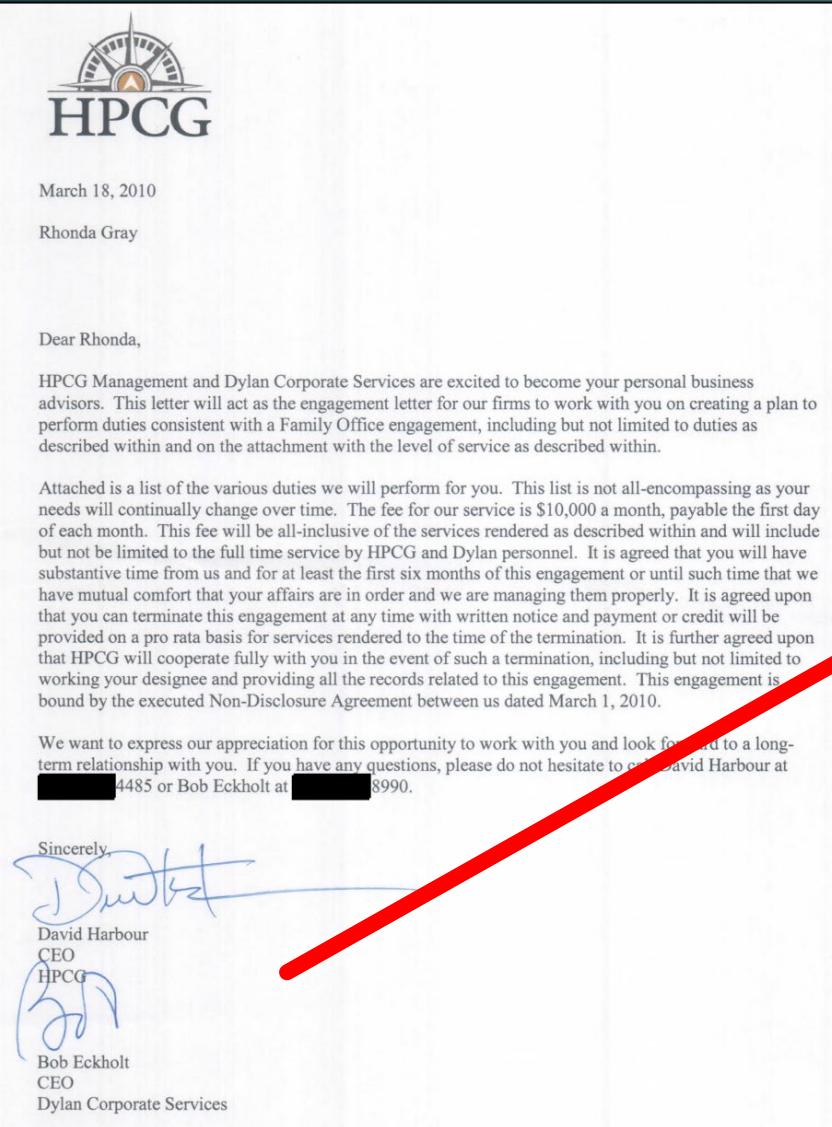
Date of Note: March 1, 2013

# Robert Eckholt

- ▶ Operates successful CPA firm
- ▶ Did not work for Defendant
- ▶ Witnessed odd relationship with Defendant and Gray
- ▶ Did not sign engagement letter



# Eckholt Did Not Sign Gray Letter



# March 2012 – \$53,385 Rolex

**HAMRA**  
FINE JEWELRY & TIMPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254  
480.946.5110 | info@hamra.com

## Receipt

David & Abby Harbour  
Attn: 8901 N. Martingale Road  
Paradise Valley, AZ 85253

**Date**  
Mar 02, 2012

**Receipt Number**  
HVGX43773

**Assisted By**  
Z-Virden, Suzie

| Item  | Description   | Photo   | Qty | Unit Price  | Amount      |
|-------|---|---|-----|-------------|-------------|
| 23262 | Rolex Day-Date Pearlmaster<br>Model #R1894889UB7274;<br>39mm<br>Serial #G527156; Automatic<br>Mother-of-Pearl Diamond Dial<br>Diamond Bezel; Yellow Gold<br>Case and Masterpiece Bracelet |  | 1   | \$55,500.00 | \$49,000.00 |

**Recent Payments & Credits**

|                         |                    |
|-------------------------|--------------------|
| Subtotal                | \$49,000.00        |
| Total Sales Tax         | \$4,385.50         |
| <hr/>                   |                    |
| Total                   | <b>\$53,385.50</b> |
| <hr/>                   |                    |
| Less Payments & Credits | \$0.00             |
| <hr/>                   |                    |
| Amount Due              | <b>\$53,385.50</b> |



# November 2012 – \$5,883 Ring





# The Excuses, 2015

07/07 -- "Ok. Traveling a lot. I'm waiting for funds".

07/08 -- "I'm on it darling".

07/09 -- "Sounds good. I'm boarding a plane. One of my big investors is also in the same deal you are".

07/13 -- "The banks had a wire cut in the middle of the ocean. It's been all over the news. I will send you the email from them".

07/24 -- "I love you. We have to get the money in the right way so alarms go off".

08/02 -- "Ok. Your money will come when it is released. It's the nature of the beast. It is protected like you want, but that also means it is a slow process".

08/11 -- "Hey you, sorry I haven't gotten back to you. I'm deep in this hedge fund. Don't ever worry about us, I love you!!".

08/14 -- "I'm buried with this hedge fund in NY. Promise I will call you. I have always been there for you. I have to get this deal closed. It's a 25m facility".

# Defendant's Scheme to Defraud

Pat Spaulding Fraud (2007 – 2014)

Rhonda Gray Fraud (2010 – 2016)

KSQ / Canyon Road Fraud  
(2011 – 2014)

Green Circle Fraud  
(2014 – 2016)



# Defendant Received Complaints from Multiple State Regulators

Wisconsin  
California

North  
Carolina

Colorado  
Pennsylvania

State of  
Washington  
vs.  
David  
Harbour

Kentucky  
Connecticut  
Illinois



# Joe Cathey

- ▶ In 2012, Cathey invested \$3,000,000
- ▶ Defendant did not disclose that he received multiple State regulatory complaints on business
- ▶ In 2012, Defendant provided Cathey with personal guarantee on money, told Cathey it was Defendant's only personal guarantee





2012, Defendant obtains  
\$3,000,000 from Joe Cathey



## **PROMISSORY NOTE**

|                                    |                               |                              |                        |
|------------------------------------|-------------------------------|------------------------------|------------------------|
| Principal<br><b>\$2,000,000.00</b> | Loan Date<br><b>7/16/2012</b> | Maturity<br><b>3/16/2015</b> | Initials<br><b>PLG</b> |
|------------------------------------|-------------------------------|------------------------------|------------------------|

References in the shaded area are to

**Borrower:** NorthRock, LLC  
[REDACTED] College Bl  
Lenexa, KS 66211

**Principal Amount:** \$2,000

## PROMISSORY NOTE

| Principal      | Loan Date  | Maturity   | Initials  |
|----------------|------------|------------|---|
| \$1,000,000.00 | 12/15/2012 | 12/15/2015 |  |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** NorthRock, LLC  
[REDACTED] College Blvd. Suite  
Lenexa, KS 66219

**Lender:** **Joe R. Cathey and Dianne V. Cathey**  
[REDACTED]  
**Paluxy, TX 76467**

**Principal Amount:** \$1,000,000.00

Initial Rate: 20%

Date of Note: December 15, 2012

# In 2012, Defendant Provided Joe Cathey \$3M backed by Personal Guarantees

## COMMERCIAL GUARANTY

| Principal      | Loan Date | Maturity | Initials  |
|----------------|-----------|----------|---|
| \$1,000,000.00 | 12/15/12  | 12/15/15 |  |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: NorthRock, LLC  
College Blvd. Suite [REDACTED]  
Lenexa, KS 66219

Lender: Joe R Cathey and Dianne V Cathey  
[REDACTED]  
Paluxy, TX 76467

Guarantor: David Harbour  
[REDACTED]  
N Pima Rd  
Scottsdale, AZ 85255

## COMMERCIAL GUARANTY

| Principal      | Loan Date | Maturity | Initials |
|----------------|-----------|----------|----------|
| \$2,000,000.00 | 07/16/12  | 08/16/15 |          |

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Borrower: NorthRock, LLC  
College Blvd. Suite [REDACTED]  
Lenexa, KS 66219

Lender: Joe R Cathey and Dianne V Cathey  
[REDACTED]  
Paluxy, TX 76467

Guarantor: David Harbour  
[REDACTED]  
N Pima Rd  
Scottsdale, AZ 85255

# Mark Gunnison

- ▶ Attorney for Joe Cathey
- ▶ Had in-person meeting with Defendant where Defendant told him that Cathey's guarantees were the only two guarantee obligations he had
- ▶ Defendant did not disclose he had over \$10 million in guarantees with other individuals



2012 & 2013, Defendant Purchased  
Custom StanCraft Boat -- \$902,000



DAVID  
HARBOUR

# Carol Hill

- ▶ In 2012, invested \$81,621, entirety of Hill's retirement fund
- ▶ In 2013, invested \$500,000 from Hill's husband's family inheritance
- ▶ Not a sophisticated investor
- ▶ Check mailed from Arizona to Liberty Trust in Texas



# December 2012, Defendant obtains \$81,621 from Carol Hill



## PROMISSORY NOTE

| Principal   | Loan Date  | Maturity   | Initials  |
|-------------|------------|------------|---|
| \$81,621.34 | 12/15/2012 | 12/15/2015 |  |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** NorthRock , LLC  
██████████ 71 Highway  
Grandview, MO 64030

**Lender:** IRA Plus Southwest, LLC  
FBO: Carol Hill IRA #  
██████████ Douglas Avenue, Suite 332  
Dallas, Texas 75225

Principal Amount: \$81,621.34

Initial Rate: 30%

Date of Note: December 15, 2012

# December 2012 – \$26,910 Watch



15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254  
480.946.5110 | info@hamra.com

## Receipt

David & Abby Harbour  
Attn: 8901 N. Martingale Road  
Paradise Valley, AZ 85253

Date  
Dec 23, 2012

Receipt Number  
CU2Y47228

Assisted By  
Z-Brown, Darla Jo

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| Item  | Description  | Photo   | Qty | Unit Price  | Amount      |
|-------|--|---|-----|-------------|-------------|
| 24382 | Patek Philippe Stainless Steel Nautilus Watch; Automatic Style #5711/1A-011 Movement #5679612; Case #4936230 Silvery-White Dial Steel Bracelet; 40mm |  | 1   | \$26,700.00 | \$24,700.00 |

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Recent Payments & Credits

|            |                            |             |
|------------|----------------------------|-------------|
| 2012-12-23 | Payment [American Express] | \$26,910.65 |
|------------|----------------------------|-------------|

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|                 |                    |
|-----------------|--------------------|
| Subtotal        | \$24,700.00        |
| Total Sales Tax | \$2,210.65         |
| <b>Total</b>    | <b>\$26,910.65</b> |



# February 2013, Defendant obtains \$500,000 from Carol Hill



## PROMISSORY NOTE

| Principal    | Loan Date | Maturity | Initials  |
|--------------|-----------|----------|---|
| \$500,000.00 | 2-06-2013 | 3-6-2016 |  |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: DNA Investments

 N Pima Rd  
Scottsdale, AZ 85255

Lender: Patrick Mason Hill and Carol Marie  
Hill Living Trust

 E Bell St  
Apache Junction, AZ 85119

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Principal Amount: \$ 500,000.00

Initial Rate: 20.00%

Date of Note: February 6, 2013

# Defendant's Rented Luxury Home



DAVID  
HARBOUR



# March 2013 – \$140,000 Ring

  
HAMRA  
FINE JEWELRY & TIMEPIECES  
15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254  
480.946.5110 | info@hamra.com

**Receipt**

**Customer Information**

David & Abby Harbour  
Attn: 8901 N. Martingale Road  
Paradise Valley, AZ 85253

**Date**  
Mar 01, 2013

**Receipt Number**  
2V5Q48312

**Assisted By**  
Hamra, Jeff  
Hamra, Paul

| Item  | Description   | Photo   | Qty | Unit Price    | Amount        |
|-------|---|---|-----|---------------|---------------|
| 25452 | Abby's Custom Platinum Diamond Ring Is Recreated With Hamra Jewelers 6.25 Carat Round Brilliant Cut Center Diamond I/SI1; EGL # US 907611001 D GP<br>Size 4.5 |  | 1   | \$140,000.00  | \$140,000.00  |
|       | Trade-In:<br>3.93 Carat Total Round Center Diamond<br>HJ #18704   |   | 1   | (\$45,000.00) | (\$45,000.00) |

**Recent Payments & Credits**

|                 |                     |
|-----------------|---------------------|
| Subtotal        | \$95,000.00         |
| Total Sales Tax | \$8,502.50          |
| <b>Total</b>    | <b>\$103,502.50</b> |



# May 2013 – \$9,042 Pendant

**HAMRA**  
FINE JEWELRY & TIMPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254  
480.946.5110 | info@hamra.com

## Receipt

**Date**  
May 23, 2013

**Receipt Number**  
MVVY49436

**Assisted By**  
Hughes, Heidi  
Hamra, Paul

| Item  | Description   | Photo | Qty | Unit Price | Amount     |
|-------|---|-------|-----|------------|------------|
| 26008 | Custom Kansas University Jayhawk Pendant; 18 Karat Yellow & White Gold; Yellow & Blue Sapphires and Rubies; 1 1/2"; 18 Karat White Gold 1.6mm 16" Round Cable Chain |       | 1   | \$8,300.00 | \$8,300.00 |

**Recent Payments & Credits**

|                         |                   |
|-------------------------|-------------------|
| Subtotal                | \$8,300.00        |
| Total Sales Tax         | \$742.85          |
| <hr/>                   |                   |
| Total                   | <b>\$9,042.85</b> |
| <hr/>                   |                   |
| Less Payments & Credits | \$0.00            |
| <hr/>                   |                   |
| Amount Due              | <b>\$9,042.85</b> |



# December 2013 – \$18,351 Bracelet



| <b>Receipt</b>                       |  |   |      |                |             |
|--------------------------------------|--|---|------|----------------|-------------|
| Item                                 | Description  | Photo   | Date | Receipt Number | Assisted By |
|                                      |  |   | Qty  |                |             |
| 25960                                | Diamond Cuff Bracelet<br>18 Karat White Gold<br>4.71 Carats Total Weight<br>Magnetized Closure |  | 1    | \$18,000.00    | \$17,000.00 |
| <b>Recent Payments &amp; Credits</b> |  |   |      |                |             |
| 2013-12-01                           | Payment [American Express]   |   |      | \$18,351.50    |             |
| <b>Subtotal</b>                      |  |   |      |                |             |
|                                      |  |   |      | \$17,000.00    |             |
| <b>Total Sales Tax</b>               |  |   |      |                |             |
|                                      |  |   |      | \$1,351.50     |             |
| <b>Total</b>                         |  |   |      |                |             |
|                                      |  |   |      | \$18,351.50    |             |





# Text Exchange, 2019



Carol Hill  
2019 Taxes: lost my IRA!  
Delivered: 4/15/2019 4:58:47 PM(UTC-7)  
4/15/2019 4:58:46 PM(UTC-7)

David Harbour  
You mean 2018? I'm confused.  
Read: 4/15/2019 5:01:43 PM(UTC-7)  
4/15/2019 5:01:42 PM(UTC-7)

Carol Hill  
Just going to correct to 2018. Same whether 2019 or 2018! I'm sick I work so hard for nada  
Delivered: 4/15/2019 5:05:15 PM(UTC-7)  
4/15/2019 5:05:14 PM(UTC-7)

David Harbour  
Why is it being written off?  
Read: 4/15/2019 5:06:36 PM(UTC-7)  
4/15/2019 5:06:12 PM(UTC-7)

Carol Hill  
It's lost during 2018, you said he was going to send some money re: bankruptcy, I asked you what to do & you said nothing.  
How does one prepare @ 61...  
Delivered: 4/15/2019 5:13:29 PM(UTC-7)  
4/15/2019 5:13:29 PM(UTC-7)

# Harbour Interviewed by FTC

Q. Was there any effort to qualify these investors before they got into these things?

A. They are all qualified. I mean, these guys are worth -

Q. They are all sophisticated investors?

A. Yeah.

# Defendant Interviewed by FTC



DAVID  
HARBOUR

*“This won’t affect my investors’ lives one iota. The money that they lose, it won’t change their life one bit.”*



Years later, on the  
eve of trial,  
Defendant  
attempted to pay Hill  
off

She declined

# Alison Willson

- ▶ In 2014, invested \$100,000 of Willson's retirement fund
- ▶ Strung Willson along by delaying payments
- ▶ Craig Jackson and Susie Alofs
- ▶ Furthered scheme by making small / late payments
- ▶ Not a sophisticated investor
- ▶ Check mailed from Arizona to Liberty Trust in Texas





# February 2014, Defendant obtains \$100,000 from Alison Willson

DAVID  
HARBOUR

## PROMISSORY NOTE

| Principal    | Loan Date  | Maturity   | Initials  |
|--------------|------------|------------|---|
| \$100,000.00 | 02-18-2014 | 08-18-2016 |  |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** **Canyon Road Holdings, LLC**  
[REDACTED] Mission Road Suite 318  
Prairie Village, KS 66208

**Lender:** **IRA Liberty Trust Co.**  
**FBO:** **Alison Willson #**  
[REDACTED] Douglas Avenue Suite 520  
Dallas, Texas 75255-5927

Principal Amount: \$100,000.00

Initial Rate: 15.00%

Date of Note: February 18, 2014

Ex. 473

# Harbour Testified Under Oath

Q. Have you invested other monies or funds for the Willsons, either Alison or Dan?

A. I have never invested any funds for Alison or Dan Willson or any affiliates or friends of theirs.

# Harbour Interviewed by FTC

Q. Was there any effort to qualify these investors before they got into these things?

A. They are all qualified. I mean, these guys are worth -

Q. They are all sophisticated investors?

A. Yeah.



Years later, on the eve of trial, Defendant attempted to pay Willson off if she would sign a declaration

Willson would have to sign that she did not consider herself a victim

Willson signed declaration, received \$105,000 from an unknown source of funds, considers herself a victim

“ Well...I don’t believe I lied.. I believe I had...I was told that if I didn’t sign it, I wouldn’t get the money”

# Larry Cook, FTC Receiver

- ▶ Federal Trade Commission (FTC), interviewed Defendant twice
- ▶ In 2013, used Bobrow, Deel, and Dunsworth to fund living expenses, roughly \$1,500,000 from the three individuals
- ▶ In Sept, 2014, preliminary injunction and seized assets
- ▶ In 2015, Defendant said he has no source of income and must borrow money
- ▶ In 2015, Defendant settled with FTC for \$6,612,762



# DNA--Harbour Testified Under Oath

Q. What was the purpose for forming DNA?

A. That's a good question. I guess the purpose was to be - I don't remember.

# KSQ--Harbour Testified Under Oath

Q. Can you tell me about KSQ?

A. What would you like to know?

Q. What is its purpose?

A. I do not know.

Q. Okay. So you raised money for a company and you don't know what the company did with the money?

A. You are correct.

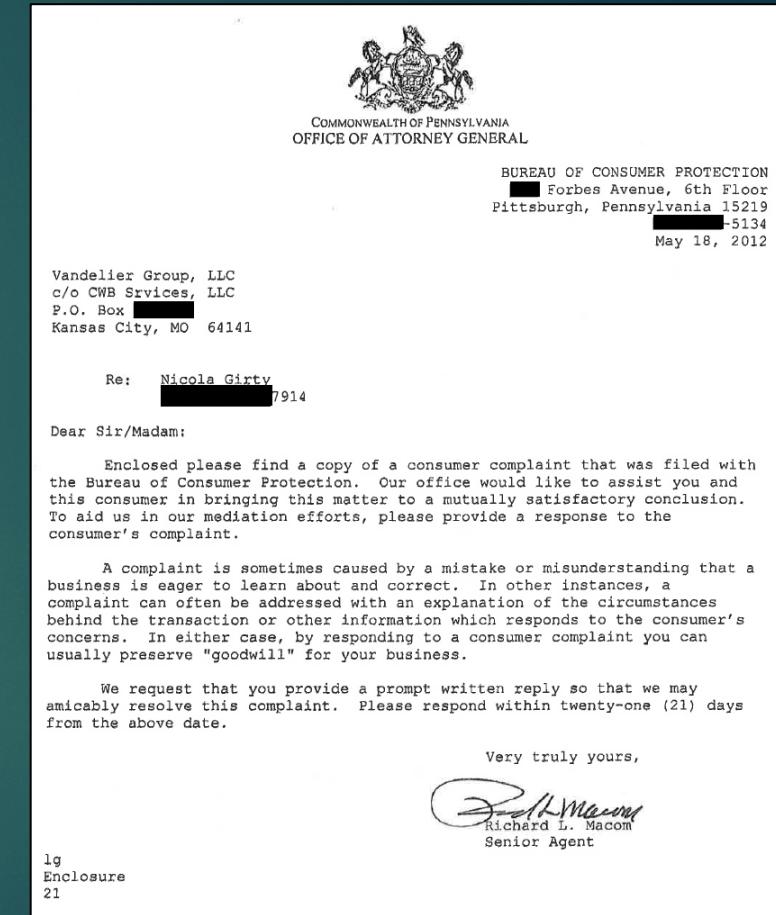
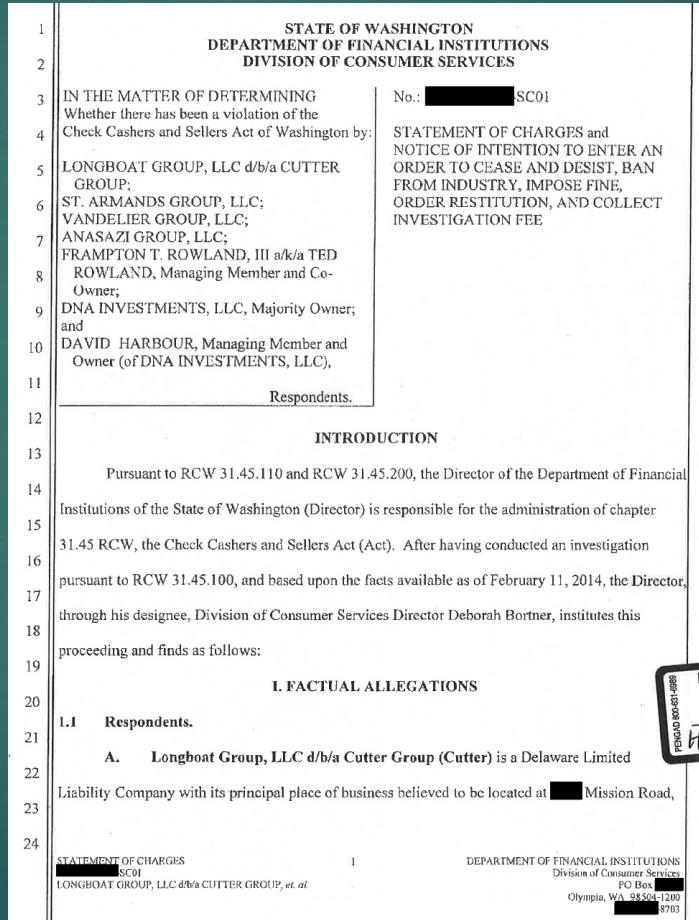
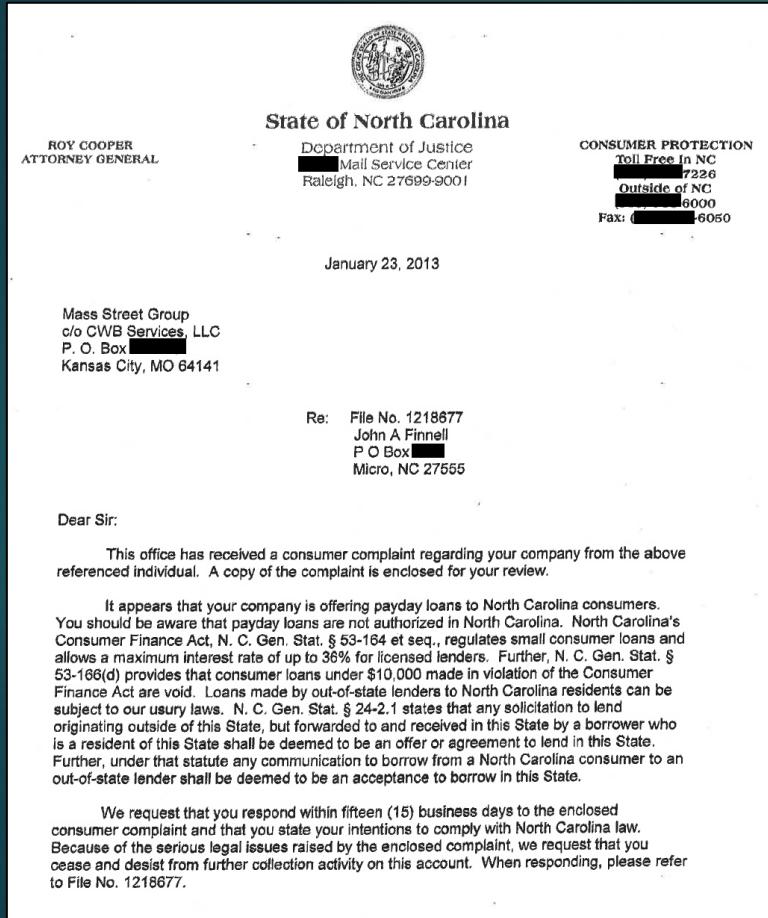
# Harbour Testified Under Oath

Q. And have you signed for yourself personally, as well?

A. I've only signed, probably, in the history of my existence of business, like, a few personal guarantees. You know, it's very elaborate.



# 2012 and 2013, Defendant Received Regulatory Complaints and Cease and Desist Letters from Various States



Ex. 718, Page 2, 719, Page 1 724, Page 3, 726,  
Page 1, 727, Page 2, 733, Page 2, 735, Page 1

# Dr. Robert Manning



Irrelevant

# Defendant's Scheme to Defraud

**Pat Spaulding Fraud (2007 – 2014)**

**Rhonda Gray Fraud (2010 – 2016)**

**KSQ / Canyon Road Fraud  
(2011 – 2014)**

**Green Circle Fraud  
(2014 – 2016)**



# Defendant Investigated by Federal Trade Commission

FTC  
shuts down  
offices in  
Kansas  
City

Made two  
statements  
to FTC

Paid  
penalty  
to FTC



\$500k  
Investment

September 2014



\$1M  
Investment

April 2015



June 2015

# Rich Turasky

- ▶ Turasky's money would be used for investment in Green Circle
- ▶ Sent only 11% of funds to Green Circle
- ▶ Did not use money for investment, instead enriched himself
- ▶ Used a portion of Turasky's money to repay previous investor





# June 2014, Defendant obtains \$500,000 from Rich Turasky / Scott Prater

## PROMISSORY NOTE

| Principal    | Loan Date | Maturity  | Initials  |
|--------------|-----------|-----------|---|
| \$500,000.00 | 6/26/2014 | 9/15/2017 |  |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** OAK TREE MANAGEMENT LLC  
Address: [REDACTED] North Pima Road  
Scottsdale, AZ 85255

**Lender:** CAPITAL INVESTMENT FUND I LLC  
Address: [REDACTED] Airport Road, Suite 100,  
Elgin, Illinois 60123

Principal Amount: \$500,000.00

Initial Rate: 12.00%

Date of Note: June 26, 2014



Years later, on the eve of trial, Defendant attempts to pay Turasky if he will sign a declaration

Turasky would have to sign that he did not consider himself a victim

Turasky signs declaration, gets judgement bought out by Ken Bobrow

Bobrow did not know he bought out a judgement

# Defendant's Rented Martingale Luxury Home

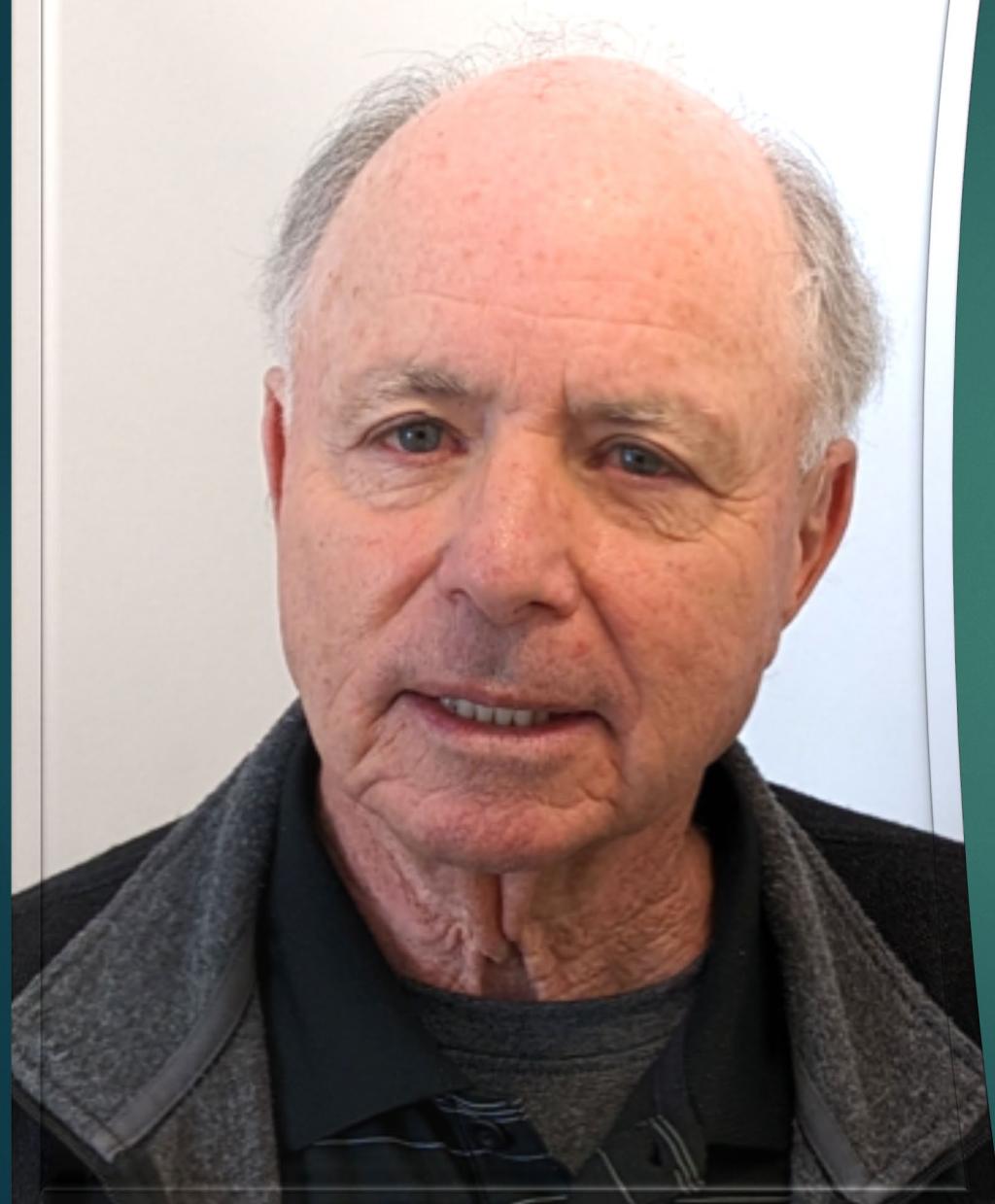


DAVID  
HARBOUR



Ex. 874-876

# Ken Bobrow



Voiced frustration to Bobrow that Turasky would be testifying against Defendant at trial

Used Bobrow's email account without his knowledge to broker a deal with Turasky, getting Turasky to sign declaration that he is not a victim

Used Bobrow's phone to text Turasky

# Defendant Used Bobrow's Phone to Broker a Deal Under Bobrow's Name



DAVID  
HARBOUR

1 Any update Hempyre, window is now closing for the Convertible. The SEC approved the SPAC yesterday so the stock size will price in 15 days.  
\$1.55/share  
The public share pricing \$10/share

2 From me:  
Please give me a text of your latest 750.000 proposal as discussed today  
Thanks

3 From Turasky:  
If a loan is given to capital companies

4 LLC for \$750k within the next 10 days, Capital will use all of those proceeds to Purchase the Convertible Note in Hempyre which is going public via a NASDAQ SPAC. The \$750k Note will be secured by the Hempyre Convertible Note and any proceed over \$750k received by Capital from the Hempyre public conversion will be split 50/50 between the Note holder and Capital above \$750k. In addition, once the note is converted into free trading stock in the Hempyre public company, the

5 \$750k lender will be assigned the current Judgment owned by RT related Companies as payment in full, and the \$750k loan to Capital is forgiven and Capital retains the public shares and the other half of the proceeds above \$750k

6 Me: Define capital for me Also what about the info on the convertible stock @ 1.50

7 RT: My company Capital Companies LLC

I sent u the summary of the convertible note which explains everything and 100% warrants coverage and 8% interest as well

# Defendant Used Bobrow's Email to Broker a Deal Under Bobrow's Name



DAVID  
HARBOUR

From: Rich Turasky

[REDACTED]@  
[REDACTED].com

Subject: RE: Hempyre

Date: Sep 12, 2020 at 7:03:54 AM

To: Ken Bobrow

[REDACTED]@gmail.com

Ken,

A Couple things...

There is a lawyer who is going to want to be paid roughly \$200k whenever this buyout happens, so that will have to come out right away.

Second, I don't think this will work because the Feeder Fund that you are working this off of is now closed and the raise was oversubscribed.

I would be able to look at some sort of a split over the \$1m, but that is how much would have to be purchased of the Convertible Note, which upon their public offering there is warrant coverage and a discount to the Public Offering Share Price and Conversion.

Or it's just a simple half now, half in 30 days if that helps.

CAPITAL  
Rich Turasky Jr.  
President  
[REDACTED] Airport Rd. Suite 100

# Defendant Used Bobrow's Email to Broker a Deal Under Bobrow's Name



DAVID  
HARBOUR

Elgin, IL 60123  
████████-6666 cell

████████@████████.com

**From:** Ken Bobrow  
<████████@gmail.com>  
**Sent:** Friday, September 11, 2020 2:28 PM  
**To:** Rich Turasky  
<████████@████████.com>  
**Subject:** Re: Hempyre

Hello. Here are my thoughts that we discussed.

I will write a check of \$400,000 to the LLC.

You and or the LLC will buy 100,000 shares at \$4.00 or if you can get it for the \$2.50 that would be great and would be 160,000 shares.

You will be in charge of buying and selling the stock. You believe the stock will sell for at least \$10.00 a share which is \$1,000,000 at \$4.00 and \$1,600,000 at \$2.50 purchase price.

After you get \$1,000,000 from the sale of

the stock you and I will split the gains above \$1,000,000 on a 50/50 basis.

I will get all your rights in the loan and collateral agreement you have with Oak Tree. I will step into your shoes.

I know you know a lot about real estate and you will help me and my group which includes David as a consultant for our real estate deals. We will need to figure out a monthly fee based on the time you will have. It sounds like you are busy.

I will draft the agreement for you to review

and I am wanting to close ASAP as well.

Call me if you want to go over it. Thanks Rich!

Sent from my iPhone  
Kenneth S. Bobrow  
P.O. Box █████  
Scottsdale, AZ 85267  
████████-8242

████████ E Happy Valley Rd #20  
Scottsdale, AZ 85355

# Mark Burg

- ▶ Not sure where money would be invested
- ▶ Sent only 60% of funds to Green Circle
- ▶ Defendant did not use money for investment, instead spent the money on personal and family expenditures
- ▶ Defendant used a portion of Burg's money to pay off AMEX bill, school tuition, vehicle lease payment, repay a previous investor





# The Façade

- ▶ Ran a fund, knew everyone, spent money and very generous
- ▶ Heard of Harbour's 40th birthday where he chartered a jet for his guests to see a private LA Eagles concert
- ▶ Harbour had a condos at El Dorado and Coeur d'Alene
- ▶ Harbour had a ton of money. "I mean, who spends, you know, a million dollars on a birthday party".
- ▶ Harbour went on trips to Augusta and to the London Olympics
- ▶ Harbour had two boats at Gozzer. "They're stupidly expensive"
- ▶ Harbour had multiple LA trips, staying at a suite at the Peninsula Hotel
- ▶ Potential investment in Gozzer with Burg on nicest piece of land
- ▶ Harbour was purchasing a place in Maui
- ▶ Scottsdale residences with golf at exclusive private clubs
- ▶ Harbour's interest in Charlie Sheen's multimillion dollar property
- ▶ Harbour has trappings of success, similar to wealthy Hollywood types



# The Reality

- ▶ FTC shuttered multiple entities that Harbour was a 67% of
- ▶ Many state regulatory agencies had issued cease and desist orders against Harbour and/or his companies
- ▶ Millions in personal guarantees that he had defaulted on
- ▶ Very little income in 2013 and 2014
- ▶ 2015 living off personal loans from Deel, Dunsworth and Bobrow
- ▶ Knew very little about the payday loan industry
- ▶ Owed over \$30M to NorthRock investors
- ▶ Owed \$9M to Craig Jackson
- ▶ Used funds from KSQ to pay Jackson, a previous investor who did not invest in KSQ
- ▶ Personal loans leveraged against condos in Gozzer and Cabo.
- ▶ Rented homes
- ▶ Used a credit card, whose account holder was a former girlfriend



# November 2014, Defendant obtains \$1,000,000 from Mark Burg

DAVID  
HARBOUR

## PROMISSORY NOTE

| Principal             | Loan Date         | Maturity          | Initials |
|-----------------------|-------------------|-------------------|----------|
| <b>\$1,000,000.00</b> | <b>11/14/2014</b> | <b>10/14/2017</b> |          |

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** Oak Tree Management LLC  
■ N. Pima Road  
Scottsdale, AZ 85255

**Lender:** Mark Burg  
■ Aubrey Road  
Beverly Hills, CA 90210

---

Principal Amount: \$1,000,000.00

Initial Rate: 10.75%

Date of Note: November 14, 2014

# Dean Avedon

- ▶ Mark Burg's Business Manager
- ▶ Continually attempted to get back Burg's money from Defendant
- ▶ Defendant continued to delay and provide excuses on where the money was





# Voicemail

January 10, 2017



Ex. 630



**From:** [David Harbour](#)  
**To:** [Mark Burg](#); [James Melendres](#)  
**Cc:** [dharbour1@gmail.com](mailto:dharbour1@gmail.com); [Dean Avedon](#)  
**Subject:** Re: Gozzer/Friendship  
**Date:** Tuesday, May 16, 2017 10:41:20 AM

---



Mark,

I am sending this email to my attorney. You and Dean have continued to threaten me and make disparaging remarks about me. Mike has nothing to do with our business agreements, therefore you are intentionally trying to harm my reputation by spreading false information.

Sent from my iPhone

> On May 16, 2017, at 10:33 AM, Mark Burg <[mburg@primarywave.com](mailto:mburg@primarywave.com)> wrote:

>

> David,

> This letter comes to you from the heart and believe it or not I consider/ed you a friend. I'm guessing you must be in financial trouble or else you would have paid me my money. I am getting a place at Gozzer with a friend, Bart Peters. I have spoken with Mike and if you want to sell me your place I will gladly purchase it and your boats. Mike sold his place at Lakeshore Lodge. I am forwarding this email to Mike as well, so he is fully aware of what is going on with us. You can deal with me, or Dean if you have any interest please get back to one of us by email asap. If not I will be purchasing a place from Mike directly. I look forward to seeing you and your family this July at Gozzer if you end up keeping your home. I hope all else is well and I loved the pictures you sent me of your girls in Kansas cheerleader uniforms.

> Best wishes, and I look forward to settling with you amicably.

> Mark

>

> Sent from my iPhone

Ex. 643



Years later, on the eve of trial,  
Defendant attempts to pay  
Burg if he will sign a declaration

Burg would have to sign that he  
did not consider himself a  
victim

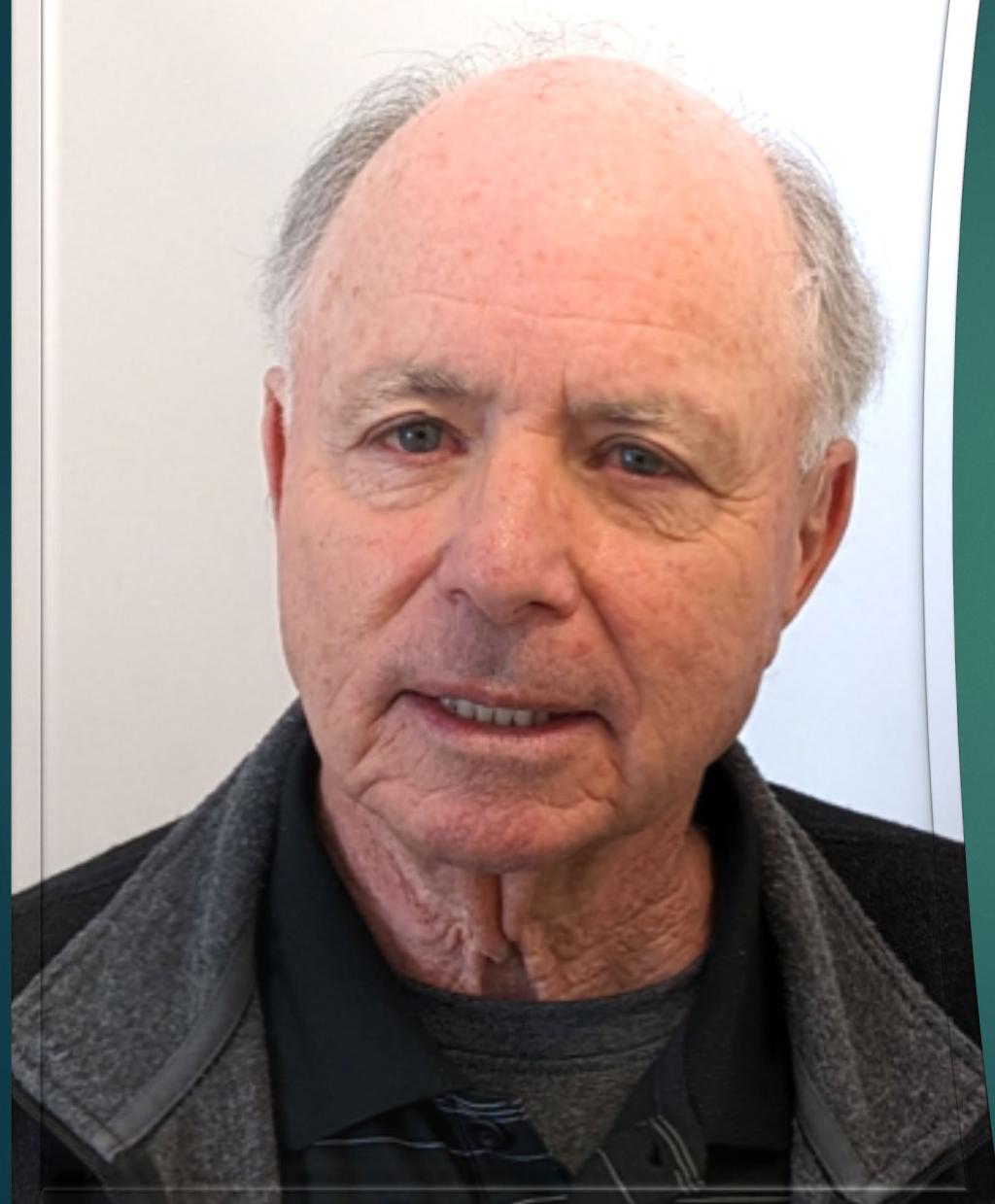
Burg refused to sign on  
principal, because “it was not  
the right thing to do”

# Vicki Bobrow

- ▶ Complained to husband that Mark Burg would not take the \$1,000,000
- ▶ Obtained iPad from Ken and Vicki Bobrow
- ▶ Came to her Flagstaff home and complained to husband about Rich Turasky money



# Ken Bobrow



- ▶ Defendant voiced frustration to Bobrow that Burg would be testifying against Defendant at trial
- ▶ Defendant again used Bobrow to attempt to broker a deal with Burg to sign declaration that he is not a victim
- ▶ Burg alerted the Government of the attempt by Bobrow

# Jeremy Denhof, FBI

- ▶ In 2016, the FBI served Defendant a subpoena for business records related to Joel Tucker, a business partner of Defendant
- ▶ FBI asks questions about Tucker and the business that Defendant is in with him
- ▶ Defendant said he signed several millions of dollars of personal guarantees with investors
- ▶ Defendant said he received around \$2 or \$3 million from deals with Joel Tucker



# In 2011, Defendant Enters into Finder Fee Agreement with Joel Tucker

- a) 25% of the principal amount of the loan, payable within 5 business days of the loan closing date.

In addition to the Finder's Fee, Company will pay 30% of the principal amount on a monthly basis to Finder by wire transfer or other electronic means to a financial institution of Finder's choosing and continue to pay 30% until the entire principal balance is paid. See Exhibit A for avoidance of doubt.

October 12, 2011

Joel Tucker  
KSQ Management, LLC  
█ Nall Avenue  
Mission, KS 66202

Dear Joel:

This letter will confirm our agreement ("Agreement") in connection with the efforts of DNA Investments, LLC ("Finder"), to identify a lender or lenders ("Lender") to enter into loan agreements with KSQ Management, LLC (the "Company"). The terms of our Agreement are as follows:

#### 1. Appointment as Finder.

Company hereby authorizes Finder, on a nonexclusive basis, to identify Lenders for the Company upon terms acceptable to Company, for a period commencing on the date hereof and continuing until terminated by written notice by Company to Finder.

#### 2. Finder's Fee.

If a transaction is consummated within the term of this agreement, or within 3 months after termination of this Agreement, with a Lender directed or introduced by Finder to Company, then Finder shall be entitled to a Finder's Fee as follows:

- a) 25% of the principal amount of the loan, payable within 5 business days of the loan closing date.

Payments of the Finder's Fee shall be made by a wire transfer or other electronic means to a financial institution of the Finder's choosing on or before the scheduled payment date.

#### 3. Portfolio Participation

In addition to the Finder's Fee, Company will pay 30% of the principal amount on a monthly basis to Finder by wire transfer or other electronic means to a financial institution of Finder's choosing and continue to pay 30% until the entire principal balance is paid. See Exhibit A for avoidance of doubt.

# May 2013 – \$12,050 Watch



**HAMRA**  
FINE JEWELRY & TIMEPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254  
480.946.5110 | info@hamra.com

**Receipt**

David & Abby Harbour  
Attn: 8901 N. Martingale Road  
Paradise Valley, AZ 85253

| Item  | Description   | Photo   | Qty | Unit Price  | Amount      |
|-------|---|---|-----|-------------|-------------|
| 17214 | Rolex DeepSea Sea-Dweller<br>Model #116660A30B9821;<br>44mm Serial #V083473;<br>Automatic movement. Black<br>Index Date Dial Stainless Steel<br>Case & Oyster Bracelet. |    | 1   | \$12,050.00 | \$12,050.00 |
| 26011 | Black Rubber Flared Tang Buckle<br>Watch Strap For Deepsea  |  | 1   | \$310.00    | \$240.00    |

Shipped on 5.30.2013, Thursday  
by Fedex to: Mr. Joel Tucker  
1881 9th Street. Suite 110,  
Boulder, CO 80302. 913-827-  
6604 Fedex tracking# 5451 8226  
7800

Paul Hamra US Mailed an  
appraisal with Joel's name on it  
for this watch.

David is giving this to his diving  
friend Joel Tucker in CO.

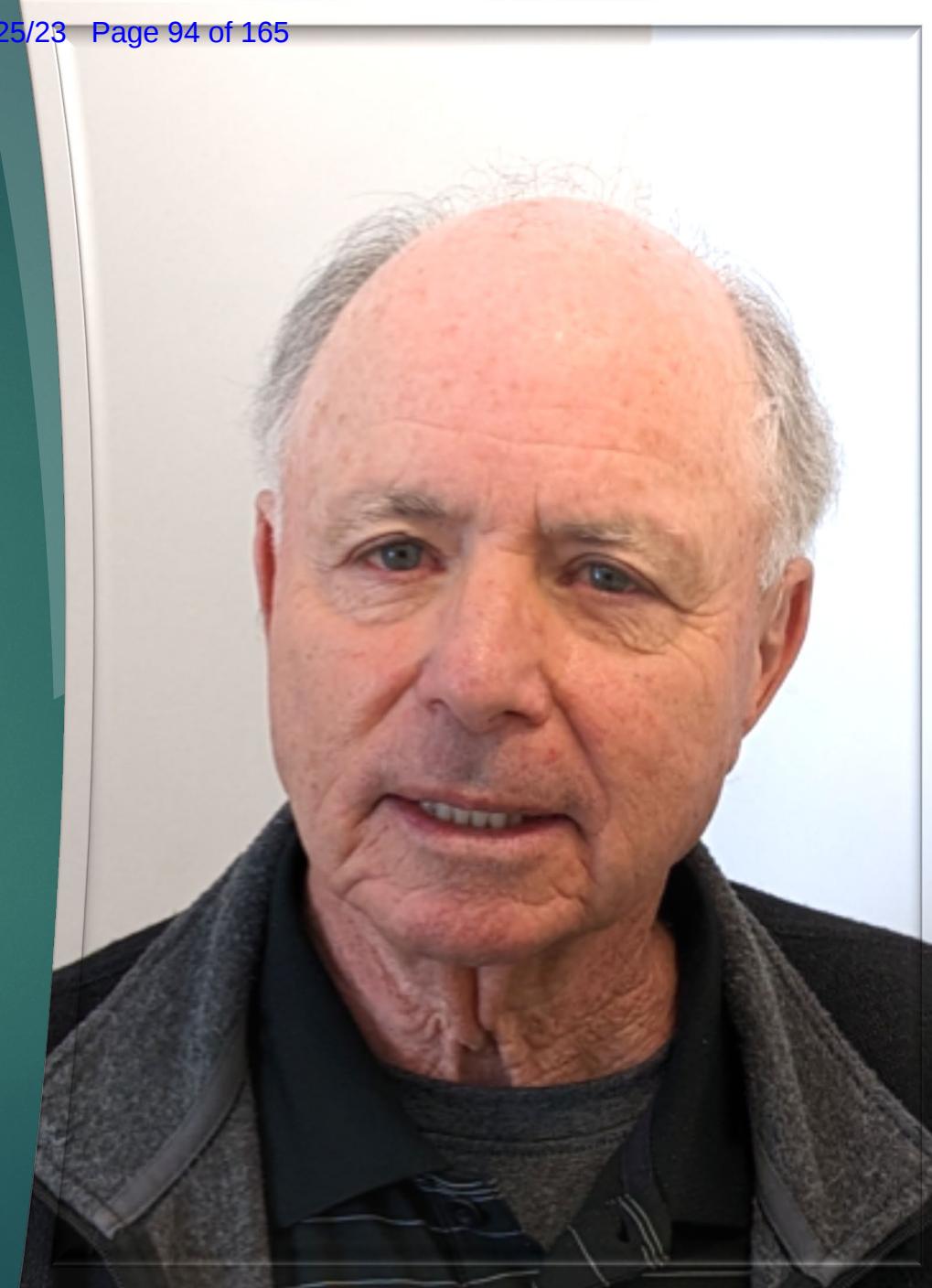
Shipped on 5.30.2013, Thursday  
by Fedex to: Mr. Joel Tucker  
1881 9th Street. Suite 110,  
Boulder, CO 80302. 913-827-  
6604 Fedex tracking# 5451 8226  
7800

Paul Hamra US Mailed an  
appraisal with Joel's name on it  
for this watch.

David is giving this to his diving  
friend Joel Tucker in CO.

# Ken Bobrow

- ▶ Defendant goes back to Bobrow in 2021 and asks him to invest in a multi-million-dollar property
- ▶ Bobrow agrees to invest but only because Defendant's boss is involved in the deal
- ▶ Bobrow expects to be paid back the money invested
- ▶ Defendant obtained money and said it was a "gift", it was not a gift



# Defendant Tricked Bobrow Again...



DAVID  
HARBOUR

**GIFT LETTER**

Applicant(s): **BART M SHEA**  
[REDACTED] E GEORGIA AVE  
PHOENIX, AZ 85016

Loan Number: [REDACTED] 0773

I, Kenneth Bobrow [REDACTED], do hereby certify the following:

(1) I have made a gift of \$242,591.67 to Bart Shea [REDACTED]  
(Amount) [REDACTED] (Recipient)

Whose relationship is: Cousin [REDACTED]  
(Relationship)

(2) This gift is to be applied toward the purchase of the property located at:  
[REDACTED] E GEORGIA AVE, PHOENIX, AZ 85016  
(Property Address)

(3) No repayment of the gift is expected or implied in the form of cash or by future services of the recipient.

(4) The Funds given to the homebuyer were not made available to the donor from any person or entity with an interest in the sale of the property including the seller, real estate agent or broker, builder, loan officer, or any entity associated with them.

(5) The source of this gift is: Wells Fargo- wire direct to title  
(Source)

Account Number.: [REDACTED] 39

*Kenneth Bobrow* [REDACTED] Date *Bart M Shea* [REDACTED] Date  
Kenneth Bobrow [REDACTED] Borrower Signature BART M SHEA [REDACTED] Date  
Donor Name (Print or Type) [REDACTED] Borrower Signature [REDACTED] Date  
[REDACTED] E Happy Valley Rd #20, Scottsdale, AZ 85255  
[REDACTED] 8242 [REDACTED] Donor Address [REDACTED] Date  
[REDACTED] 8242 [REDACTED] Donor Phone Number [REDACTED] Date

WARNING: Our Signatures above indicate that we fully understand that it is a Federal Crime punishable by fine, imprisonment, or both to knowingly make any false statement concerning any of the above facts as applicable under the provision of Title 18, United States Code, Section 1012 and 1014.

**GIFT LETTER**

Applicant(s): **BART M SHEA**  
[REDACTED] E GEORGIA AVE  
PHOENIX, AZ 85016

Loan Number: [REDACTED] 0773

I, Kenneth S Bobrow [REDACTED], do hereby certify the following:

(1) I have made a gift of \$100,000 to Bart Shea [REDACTED]  
(Amount) [REDACTED] (Recipient)

Whose relationship is: [REDACTED]  
(Relationship)

(2) This gift is to be applied toward the purchase of the property located at:  
[REDACTED] E GEORGIA AVE, PHOENIX, AZ 85016  
(Property Address)

(3) No repayment of the gift is expected or implied in the form of cash or by future services of the recipient.

(4) The Funds given to the homebuyer were not made available to the donor from any person or entity with an interest in the sale of the property including the seller, real estate agent or broker, builder, loan officer, or any entity associated with them.

(5) The source of this gift is: Personal Checking at Wells - check given for earnest  
(Source)

Account Number.: [REDACTED] 39

*Kenneth S Bobrow* [REDACTED] Date *Bart M Shea* [REDACTED] Date  
Kenneth S Bobrow [REDACTED] Borrower Signature BART M SHEA [REDACTED] Date  
Donor Name (Print or Type) [REDACTED] Borrower Signature [REDACTED] Date  
[REDACTED] E Happy Valley Rd #20, Scottsdale, AZ 85255  
[REDACTED] [REDACTED] Donor Address [REDACTED] Date  
[REDACTED] [REDACTED] Donor Phone Number [REDACTED] Date

WARNING: Our Signatures above indicate that we fully understand that it is a Federal Crime punishable by fine, imprisonment, or both to knowingly make any false statement concerning any of the above facts as applicable under the provision of Title 18, United States Code, Section 1012 and 1014.

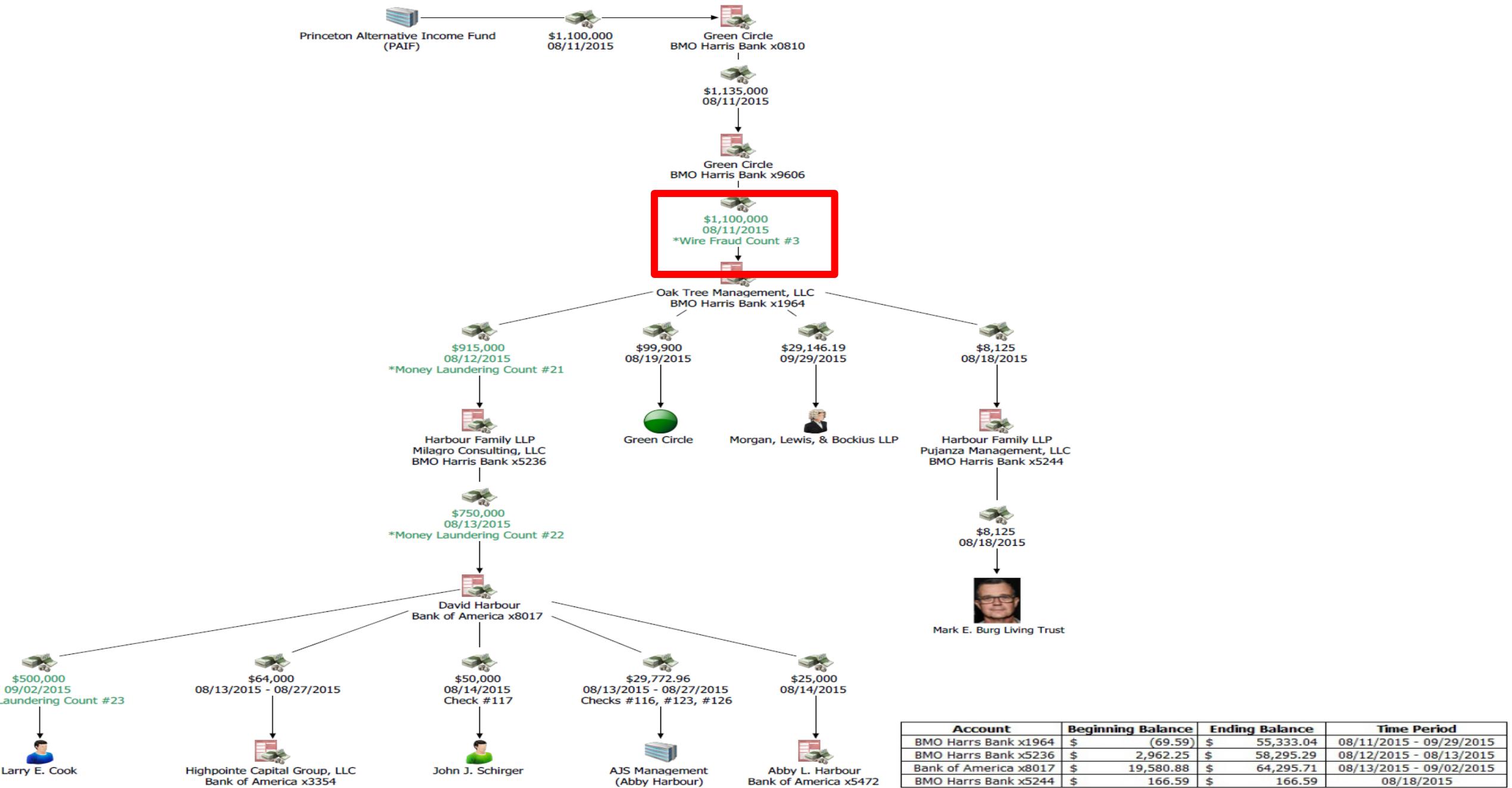
# Laura Purifoy

- ▶ Defendant altered borrowing base spreadsheet prior to sending to PAIF
- ▶ It was material to PAIF for the spreadsheet to be accurate to send any funds
- ▶ Defendant used Purifoy's email address after Purifoy left company



# Money from Green Circle to Oak Tree Management, LLC

Case 2:19-cr-00898-DLR Document 793-1 Filed 09/25/23 Page 97 of 165



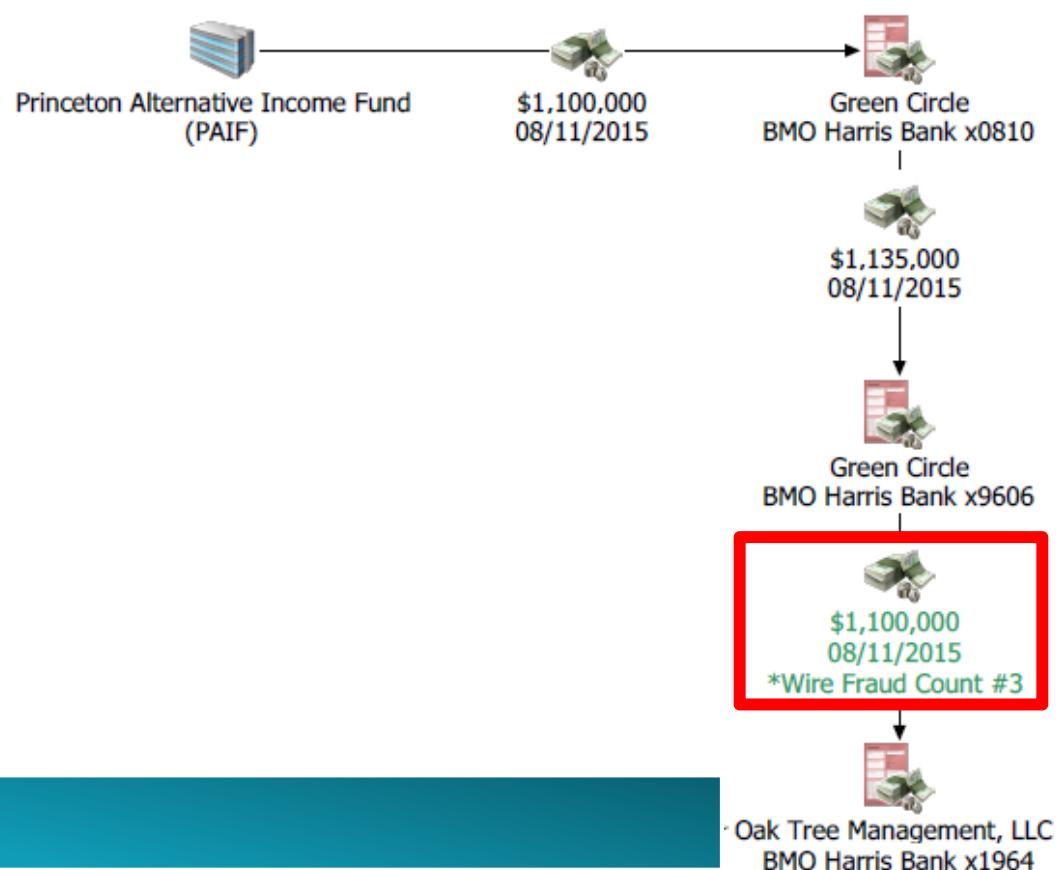
August 2015

# Defendant Altered Borrowing Base



Altered  
Borrowing Base

\$500,000 to FTC



FEDERAL TRADE COMMISSION  
PROTECTING AMERICA'S CONSUMERS

# Jeanette Paige, FBI

- ▶ Analyzed over 50 of Defendant's financial accounts
- ▶ Traced thousands of Defendant's transactions, tracing millions of dollars
- ▶ Created summary charts and underlying detail, all based on bank records



# Defendant's Inflows

Craig Jackson, sent \$15M

Joe Cathey, sent \$3M

Ken Bobrow, sent \$2.3M

PAIF, sent \$1.1M

Rhonda Gray, sent \$1M

Mark Burg, sent \$1M

Carol Hill, sent \$581k

Rich Turasky, sent \$500k

Pam Case, sent \$200k

Alison Willson, sent \$100k

**\$24.8M Inflows**



**DAVID  
HARBOUR**

**\$10.4M Returned**

Craig Jackson, got \$7.7M

Joe Cathey, got \$3k

Ken Bobrow, got \$2.2M

PAIF, got \$0

Rhonda Gray, got \$137k

Mark Burg, got \$65k

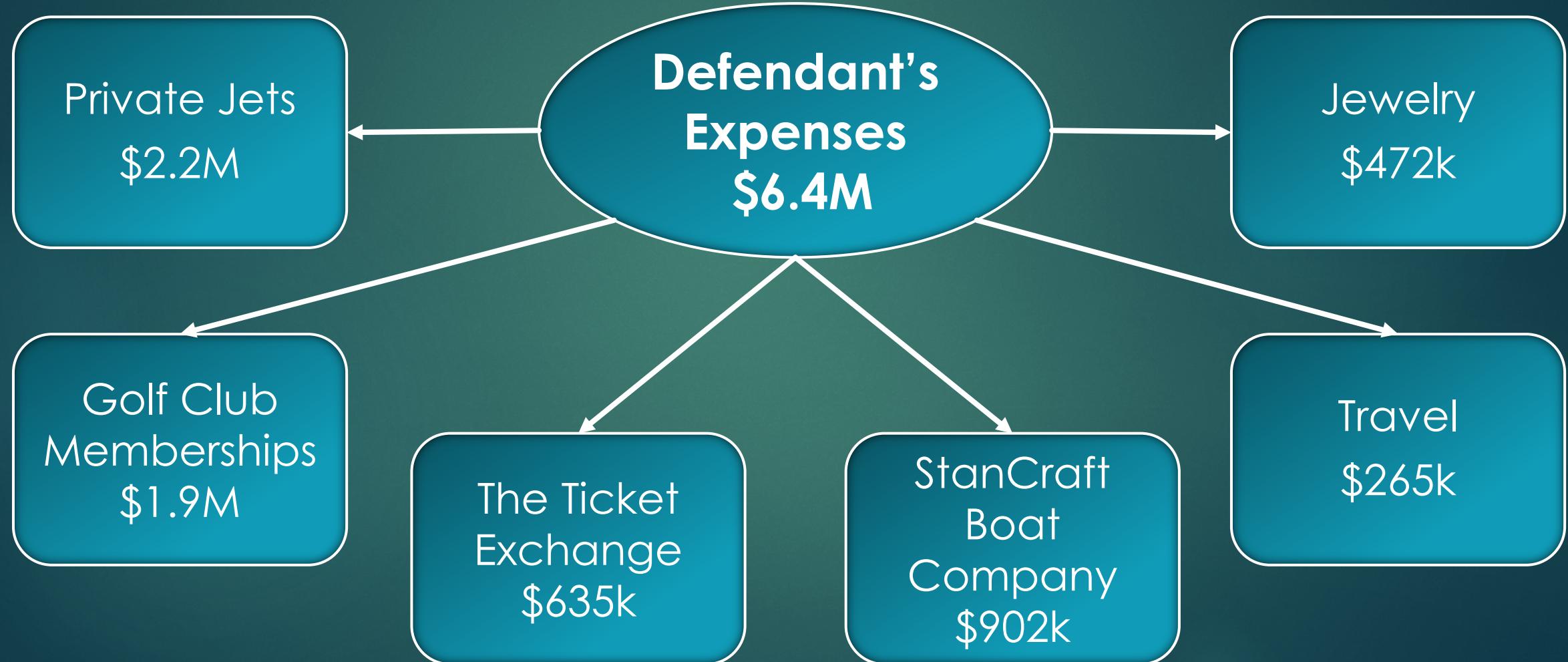
Carol Hill, got \$150k

Rich Turasky, got \$30k

Pam Case, got \$88k

Alison Willson, got \$23k

# Defendant's Expenditures (2011 – 2016)





Prior to the start of the trial, Defendant offered to repay Carol Hill, Alison Willson, Rich Turasky, and Mark Burg

Defendant only offered to repay individuals connected to charged counts in the indictment, not Ken Bobrow, Pam Case, Rhonda Gray, Joe Cathey, or Craig Jackson

# Defendant's Scheme to Defraud FUELED BY HIS LIES

Lied and misrepresented to get the money



Used investor money to enrich himself



Used investor money to pay earlier investors

# Crimes Charged

Wire Fraud, Counts 1 – 10

Mail Fraud, Counts 11 – 12

Transactional Money Laundering, Counts 13 – 23

# Wire and Mail Fraud, Four Elements

1. Scheme
2. Materiality
3. Intent to Defraud
4. Interstate Wire or Mail

# First Element, Scheme

- **Definition:** “Scheme or plan to obtain money by means of false or fraudulent pretenses, representations, and promises.”
- **Plain English:** Not telling the truth to an investor.

# Wire and Mail Fraud, Four Elements

1. Scheme 
2. Materiality
3. Intent to Defraud
4. Interstate Wire or Mail

## Second Element, Materiality

- **Definition:** The false statements or omissions had a “natural tendency to influence,” or “were capable of influencing,” a person to part with money.
- **Plain English:** Merely possible that lies, omissions were important to investors.

# Wire and Mail Fraud, Four Elements

1. Scheme 

2. Materiality 

3. Intent to Defraud

4. Interstate Wire or Mail

## Third Element, Intent to Defraud

- **Definition:** Intent to deceive or cheat.
- **No Plain English Needed:** These weren't mistaken false statements.

# Wire and Mail Fraud, Four Elements

1. Scheme 
2. Materiality 
3. Intent to Defraud 
4. Interstate Wire or Mail

## Fourth Element, Wire or Mail

- **Definition:** Used, or caused to be used, mail or interstate wires to carry out an essential part of the scheme. It does not matter whether the material mailed or wired was itself deceptive.
- **Plain English:** Sufficient if mail and wires were sent (or received) as part of the scheme.

# Wire and Mail Fraud, Four Elements

1. Scheme 
2. Materiality 
3. Intent to Defraud 
4. Interstate Wire or Mail 

Not Guilty Guilty

# Count 1, Wire Fraud - \$500,000

**Fedwire,  
wire through  
Federal Reserve**



| Underlying Detail - Oak Tree Management, LLC Northern Trust x1790 |   |             |   |  |                 |                |
|---|---|-------------|---|--|-----------------|----------------|
|   |   | Posted Date | Description   | Paid To/From                                     | Outflows Detail | Inflows Detail |
| Item Number   | Account                                       |             |   |  |                 | Balance        |
| 1   | Oak Tree Management, LLC Northern Trust x1790 | 7/30/2014   | Beginning Balance Fwr#0 Richard Turasky's Investment                                  |  |                 | \$ 1,000.00    |
| 2   | Oak Tree Management, LLC Northern Trust x1790 | 7/30/2014   | Domestic Wire Recvd Wire In #516287 By Fwr#009994 Org=SNI Fund I LLC OTM Green Circle | SNI Fund I, LLC                                  |                 | \$ 500,000.00  |
| 3   | Northern Trust x1790                          | 7/30/2014   | Service Fee For: Domestic Wire Recv   | Bank Fee   | \$ (15.00)      | \$ 500,985.00  |
| 4   | Oak Tree Management, LLC Northern Trust x1790 | 7/31/2014   | Domestic Wire Sent Wire Out#404209 By Fwr#006481 BNP=Capital Investment Advisor LLC   | Capital Investment Advisor LLC (Richard Turasky) | \$ (150,000.00) | \$ 350,985.00  |
| 5   | Oak Tree Management, LLC Northern Trust x1790 | 7/31/2014   | Service Fee For: Domestic Wire Sent   | Bank Fee   | \$ (25.00)      | \$ 350,960.00  |
| 6   | Oak Tree Management, LLC Northern Trust x1790 | 8/4/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxx9412                                  | DNA Investments, LLC Northern Trust x9412        | \$ (1,500.00)   | \$ 349,460.00  |
| 7   | Oak Tree Management, LLC Northern Trust x1790 | 8/4/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxx3388                                  | DNA Management, LLC Northern Trust x3388         | \$ (10,000.00)  | \$ 339,460.00  |
| 8   | Oak Tree Management, LLC Northern Trust x1790 | 8/4/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxx9412                                  | DNA Investments, LLC Northern Trust x9412        | \$ (35,000.00)  | \$ 304,460.00  |
| 9   | Oak Tree Management, LLC Northern Trust x1790 | 8/6/2014    | Domestic Wire Sent Wire Out #409603 By Fwr#003515 Bnp=Wakpamni Lake Community Corp    | Wakpamni Lake Community Corp. (Green Circle)     | \$ (50,000.00)  | \$ 254,460.00  |
| 10  | Oak Tree Management, LLC Northern Trust x1790 | 8/6/2014    | Service Fee For: Domestic Wire Sent   | Bank Fee   | \$ (25.00)      | \$ 254,435.00  |
| 11  | Oak Tree Management, LLC Northern Trust x1790 | 8/8/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxx3388                                  | DNA Management, LLC Northern Trust x3388         | \$ (37,500.00)  | \$ 216,935.00  |

**Date:  
7/30/2014**



**DAVID  
HARBOUR**



July 30, 2014 - September 2, 2014

| Item<br>Number | Account  | Posted<br>Date | Description  | Paid To/From  | Outflows<br>Detail | Inflows<br>Detail | Balance       |
|----------------|--|----------------|--|---|--------------------|-------------------|---------------|
| 1              | Oak Tree Management, LLC<br>Northern Trust x1790 | 7/30/2014      | Beginning Balance Prior to Richard Turasky's Investment                                  |   |                    |                   | \$ 1,000.00   |
| 2              | Oak Tree Management, LLC<br>Northern Trust x1790 | 7/30/2014      | Domestic Wire Recvd Wire In #516287 By Fwr#009994<br>Org=SNI Fund I LLC OTM Green Circle | SNI Fund I, LLC                                     |                    | \$ 500,000.00     | \$ 501,000.00 |
| 3              | Oak Tree Management, LLC<br>Northern Trust x1790 | 7/30/2014      | Service Fee For: Domestic Wire Recv  | Bank Fee  | \$ (15.00)         |                   | \$ 500,985.00 |
| 4              | Oak Tree Management, LLC<br>Northern Trust x1790 | 7/31/2014      | Domestic Wire Sent Wire Out#404209 By Fwr#006481<br>BNP=Capital Investment Advisor LLC   | Capital Investment Advisor<br>LLC (Richard Turasky) | \$ (150,000.00)    |                   | \$ 350,985.00 |
| 5              | Oak Tree Management, LLC<br>Northern Trust x1790 | 7/31/2014      | Service Fee For: Domestic Wire Sent  | Bank Fee  | \$ (25.00)         |                   | \$ 350,960.00 |
| 6              | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/4/2014       | Phone Transfer Debit Prvt Passport Trf To xxxxxxx9412                                    | DNA Investments, LLC<br>Northern Trust x9412        | \$ (1,500.00)      |                   | \$ 349,460.00 |
| 7              | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/4/2014       | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                    | DNA Management, LLC<br>Northern Trust x3388         | \$ (10,000.00)     |                   | \$ 339,460.00 |
| 8              | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/4/2014       | Phone Transfer Debit Prvt Passport Trf To xxxxxxx9412                                    | DNA Investments, LLC<br>Northern Trust x9412        | \$ (35,000.00)     |                   | \$ 304,460.00 |
| 9              | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/6/2014       | Domestic Wire Sent Wire Out #409603 By Fwr#003515<br>Bnp= Wakpamni Lake Community Corp   | Wakpamni Lake Community<br>Corp. (Green Circle)     | \$ (50,000.00)     |                   | \$ 254,460.00 |
| 10             | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/6/2014       | Service Fee For: Domestic Wire Sent  | Bank Fee  | \$ (25.00)         |                   | \$ 254,435.00 |
| 11             | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/8/2014       | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                    | DNA Management, LLC<br>Northern Trust x3388         | \$ (37,500.00)     |                   | \$ 216,935.00 |
| 12             | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/12/2014      | Check Imprint Charge Ach Debit Check Imprinting<br>Charge Check/ Acc 08/12 4019384 Ppd   | Bank Fee  | \$ (24.75)         |                   | \$ 216,910.25 |
| 13             | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/15/2014      | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                    | DNA Management, LLC<br>Northern Trust x3388         | \$ (4,000.00)      |                   | \$ 212,910.25 |
| 14             | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/20/2014      | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                    | DNA Management, LLC<br>Northern Trust x3388         | \$ (2,000.00)      |                   | \$ 210,910.25 |
| 15             | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/21/2014      | Phone Transfer Debit Prvt Passport Trf To xxxxxxx5180                                    | 21020, LLC Northern Trust<br>x5180                  | \$ (12,000.00)     |                   | \$ 198,910.25 |
| 16             | Oak Tree Management, LLC<br>Northern Trust x1790 | 8/22/2014      | Phone Transfer Debit Prvt Passport Trf To xxxxxxx9412                                    | DNA Investments, LLC<br>Northern Trust x9412        | \$ (10,000.00)     |                   | \$ 188,910.25 |

Not Guilty Guilty

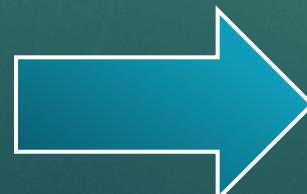
# Count 2, Wire Fraud - \$1,000,000

**Fedwire,  
wire through  
Federal Reserve**



| Underlying Detail - Harbour Family LLP; Pujanza Management, LLC BMO Harris x5244 |  |  |             |                                      |   |                                 |
|--|--|--|-------------|--------------------------------------|---|---------------------------------|
| Item Number  |  | Account  | Posted Date | Description                          | Paid To/From                                  | Outflows Detail                 |
|  |  |  |             |                                      |   | Inflows Detail                  |
|  |  |  |             |                                      |   | Balance                         |
|  |  | Harbour Family LLP, Pujanza Management, LLC                  |             |                                      |   |                                 |
| 2  |  | Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244 | 12/2/2014   | FED WIRE TRANSFER CREDIT 010143      | Mark E. Burg Living Trust                     | \$ 1,000,000.00 \$ 1,000,000.00 |
| 3  |  | Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244 | 12/3/2014   | FED WIRE TRANSFER DEBIT 005685       | Oak Tree Management, LLC Northern Trust x1790 | \$ (500,000.00) \$ 500,000.00   |
| 4  |  | Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244 | 12/22/2014  | FED WIRE TRANSFER DEBIT 141222013001 | Oak Tree Management, LLC Northern Trust x1790 | \$ (300,000.00) \$ 200,000.00   |
| 5  |  | Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244 | 12/22/2014  | ACCT ANALYSIS SERV CHG               | Bank Fee                                      | \$ (227.07) \$ 199,772.93       |
| 6  |  | Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244 | 1/5/2015    | FED WIRE TRANSFER DEBIT 150105010446 | Oak Tree Management, LLC Northern Trust x1790 | \$ (199,000.00) \$ 772.93       |

**Date:  
12/2/2014**



**Underlying Detail - Harbour Family LLP; Pujanza Management, LLC BMO Harris x5244**  
**December 2, 2014 - January 5, 2015**

| Item Number | Account  | Posted Date | Description                             | Paid To/From                                     | Outflows Detail | Inflows Detail  | Balance         |
|-------------|--|-------------|---|--|-----------------|-----------------|-----------------|
| 1           | Harbour Family LLP,<br>Pujanza Management, LLC<br>BMO Harris x5244 | 12/2/2014   | Balance Prior to Mark Burg's Investment |  |                 |                 |                 |
| 2           | Harbour Family LLP,<br>Pujanza Management, LLC<br>BMO Harris x5244 | 12/2/2014   | FED WIRE TRANSFER CREDIT 010143         | Mark E. Burg Living Trust                        |                 | \$ 1,000,000.00 | \$ 1,000,000.00 |
| 3           | Harbour Family LLP,<br>Pujanza Management, LLC<br>BMO Harris x5244 | 12/3/2014   | FED WIRE TRANSFER DEBIT 005685          | Oak Tree Management, LLC<br>Northern Trust x1790 | \$ (500,000.00) |                 | \$ 500,000.00   |
| 4           | Harbour Family LLP,<br>Pujanza Management, LLC<br>BMO Harris x5244 | 12/22/2014  | FED WIRE TRANSFER DEBIT 141222013001    | Oak Tree Management, LLC<br>Northern Trust x1790 | \$ (300,000.00) |                 | \$ 200,000.00   |
| 5           | Harbour Family LLP,<br>Pujanza Management, LLC<br>BMO Harris x5244 | 12/22/2014  | ACCT ANALYSIS SERV CHG                  | Bank Fee   | \$ (227.07)     |                 | \$ 199,772.93   |
| 6           | Harbour Family LLP,<br>Pujanza Management, LLC<br>BMO Harris x5244 | 1/5/2015    | FED WIRE TRANSFER DEBIT 150105010446    | Oak Tree Management, LLC<br>Northern Trust x1790 | \$ (199,000.00) |                 | \$ 772.93       |

Not Guilty Guilty

# Count 3, Wire Fraud - \$1,100,000

ACH transfer,  
transfer through  
BMO Harris –  
located in Illinois

| Underlying Detail - Green Circle BMO Harris x9606<br>August 11, 2015 |                               |             |  |  |                   |                 |                 |
|--|-------------------------------|-------------|--|--|-------------------|-----------------|-----------------|
| Item Number  | Account                       | Posted Date | Description  | Paid To/From                                   | Outflows Detail   | Inflows Detail  | Balance         |
| 1  | Green Circle BMO Harris x9606 | 8/11/2015   | Beginning Balance                                  |  |                   |                 | \$ 21,275.20    |
| 2  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 CCD Transact24 LLC Settlement 00000000638   | Transact24 LLC Settlement                      |                   | \$ 6,478.09     | \$ 27,753.29    |
| 3  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01232131200 | PDS Settlement                                 |                   | \$ 12,164.70    | \$ 39,917.99    |
| 4  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 PC TRANSFER CREDIT                          | Green Circle BMO Harris x0810                  |                   | \$ 1,135,000.00 | \$ 1,174,917.99 |
| 5  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 FED WIRE TRANSFER DEBIT 150811008942        | Payment Data Systems                           | \$ (50,000.00)    |                 | \$ 1,144,917.99 |
| 6  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 WIRE TRANSFER DEBIT 150811009046            | Oak Tree Management, LLC BMO Harris Bank x1964 | \$ (1,100,000.00) |                 | \$ 44,917.99    |
| 7  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 CCD D AND D MARKS291 CASH C&D 49872         | D&D mark                                       | \$ (1,980.00)     |                 | \$ 42,937.99    |
| 8  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01307321259 | PDS Settlement                                 | \$ (5,353.65)     |                 | \$ 37,584.34    |
| 9  | Green Circle BMO Harris x9606 | 8/11/2015   | AUG 11 CCD MICROBILT CORPOR DATA SVCS 117A1253332  | Microbilt Corporation Data Services            | \$ (12,764.20)    |                 | \$ 24,820.14    |

Date:  
8/11/2015

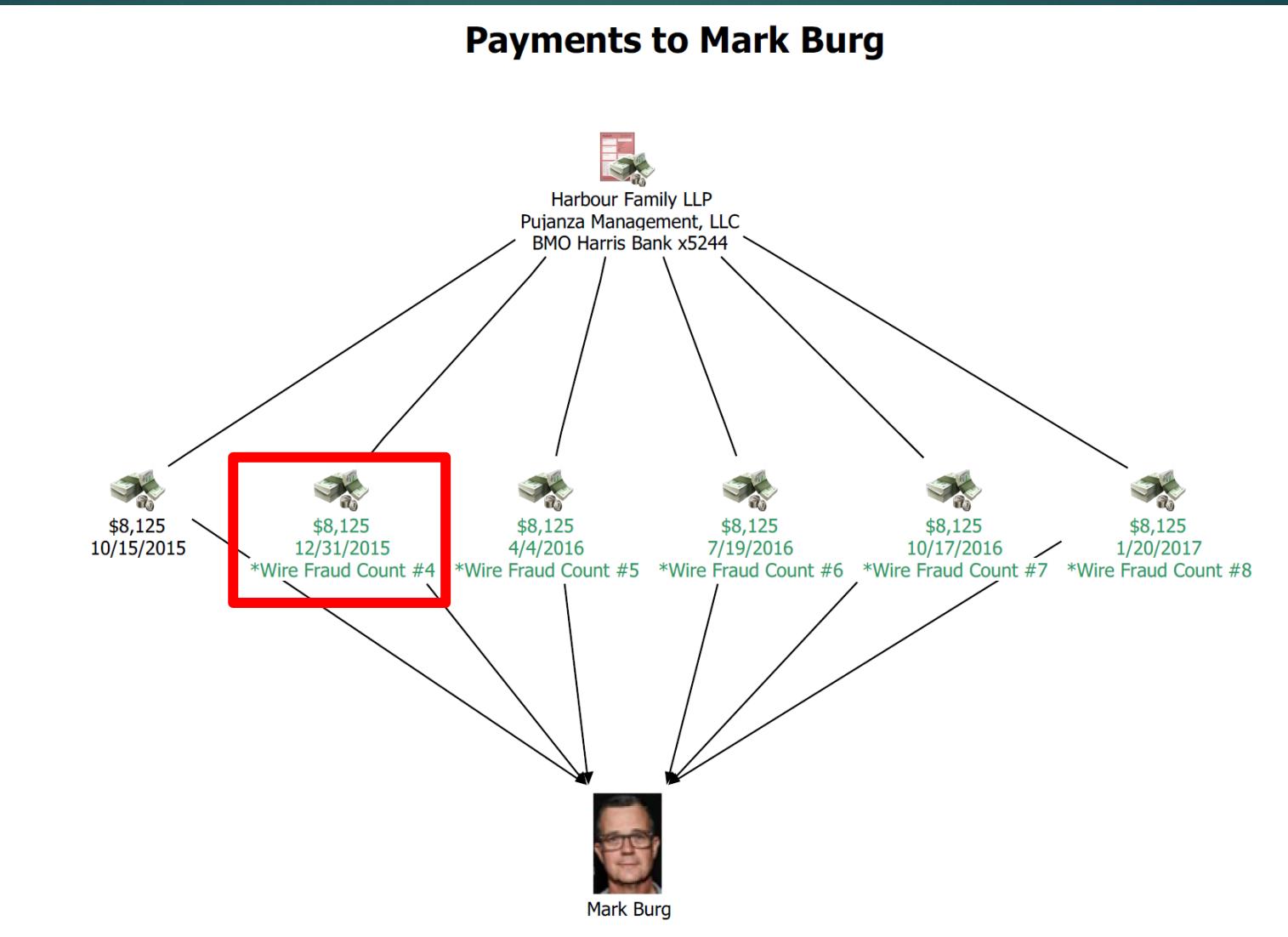


## Underlying Detail - Green Circle BMO Harris x9606

August 11, 2015

| Item Number | Account                               | Posted Date | Description  | Paid To/From                                   | Outflows Detail   | Inflows Detail  | Balance           |
|-------------|---------------------------------------|-------------|--|--|-------------------|-----------------|-------------------|
| 1           | Green Circle BMO Harris x9606         | 8/11/2015   | Beginning Balance                                  |  |                   |                 | \$ 21,275.20      |
| 2           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 CCD Transact24 LLC Settlement 00000000638   | Transact24 LLC Settlement                      |                   | \$ 6,478.09     | \$ 27,753.29      |
| 3           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01232131200 | PDS Settlement                                 |                   | \$ 12,164.70    | \$ 39,917.99      |
| 4           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 PC TRANSFER CREDIT                          | Green Circle BMO Harris x0810                  |                   | \$ 1,135,000.00 | \$ 1,174,917.99   |
| 5           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 FED WIRE TRANSFER DEBIT 150811000942        | Payment Data Systems                           | \$ (20,000.00)    |                 | \$ 1,154,917.99   |
| 6           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 WIRE TRANSFER DEBIT 150811009046            | Oak Tree Management, LLC BMO Harris Bank x1964 | \$ (1,100,000.00) |                 | \$ 44,917.99      |
| 7           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 CCD D AND D MARK3291 CASH C&D 49872         | D&D mark                                       | \$ (1,980.00)     |                 | \$ 42,937.99      |
| 8           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01307321259 | PDS Settlement                                 | \$ (5,353.65)     |                 | \$ 37,584.34      |
| 9           | Green Circle BMO Harris x9606         | 8/11/2015   | AUG 11 CCD MICROBILT CORPOR DATA SVCS 117A1253332  | Microbilt Corporation Data Services            | \$ (12,764.20)    |                 | \$ 24,820.14      |
| 10          | Total Inflows During Reviewed Period  |             |  |  |                   |                 | \$ 1,153,642.79   |
| 11          | Total Outflows During Reviewed Period |             |  |  |                   |                 | \$ (1,150,097.85) |

# Wire Fraud – Counts 4, 5, 6, 7, and 8



# Count 4, Wire Fraud - \$8,125

**Fedwire,  
wire through  
Federal Reserve**

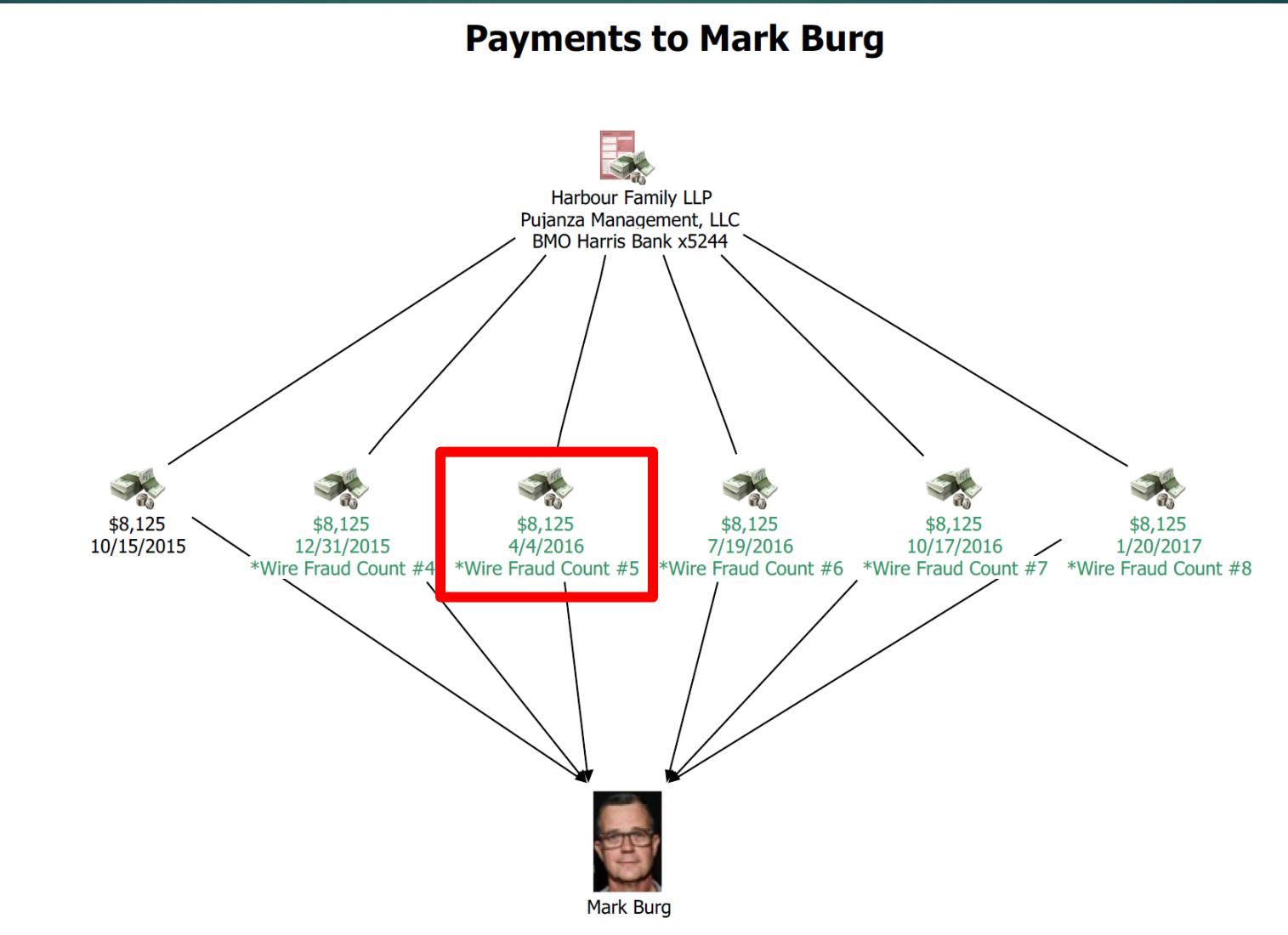


| Number | Date       | Source   | Count               |
|--------|------------|--|---------------------|
| 1      | 10/15/2015 | Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964           |                     |
| 2      | 12/31/2015 | Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964          | Wire Fraud Count #4 |
| 3      | 4/4/2016   | Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964             | Wire Fraud Count #5 |
| 4      | 7/19/2016  | Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236 | Wire Fraud Count #6 |
| 5      | 10/17/2016 | Cash Deposit   | Wire Fraud Count #7 |
| 6      | 1/20/2017  | Two Teller Deposits  | Wire Fraud Count #8 |

Date:  
12/31/2015



# Wire Fraud – Counts 4, 5, 6, 7, and 8



# Count 5, Wire Fraud - \$8,125

**Fedwire,  
wire through  
Federal Reserve**

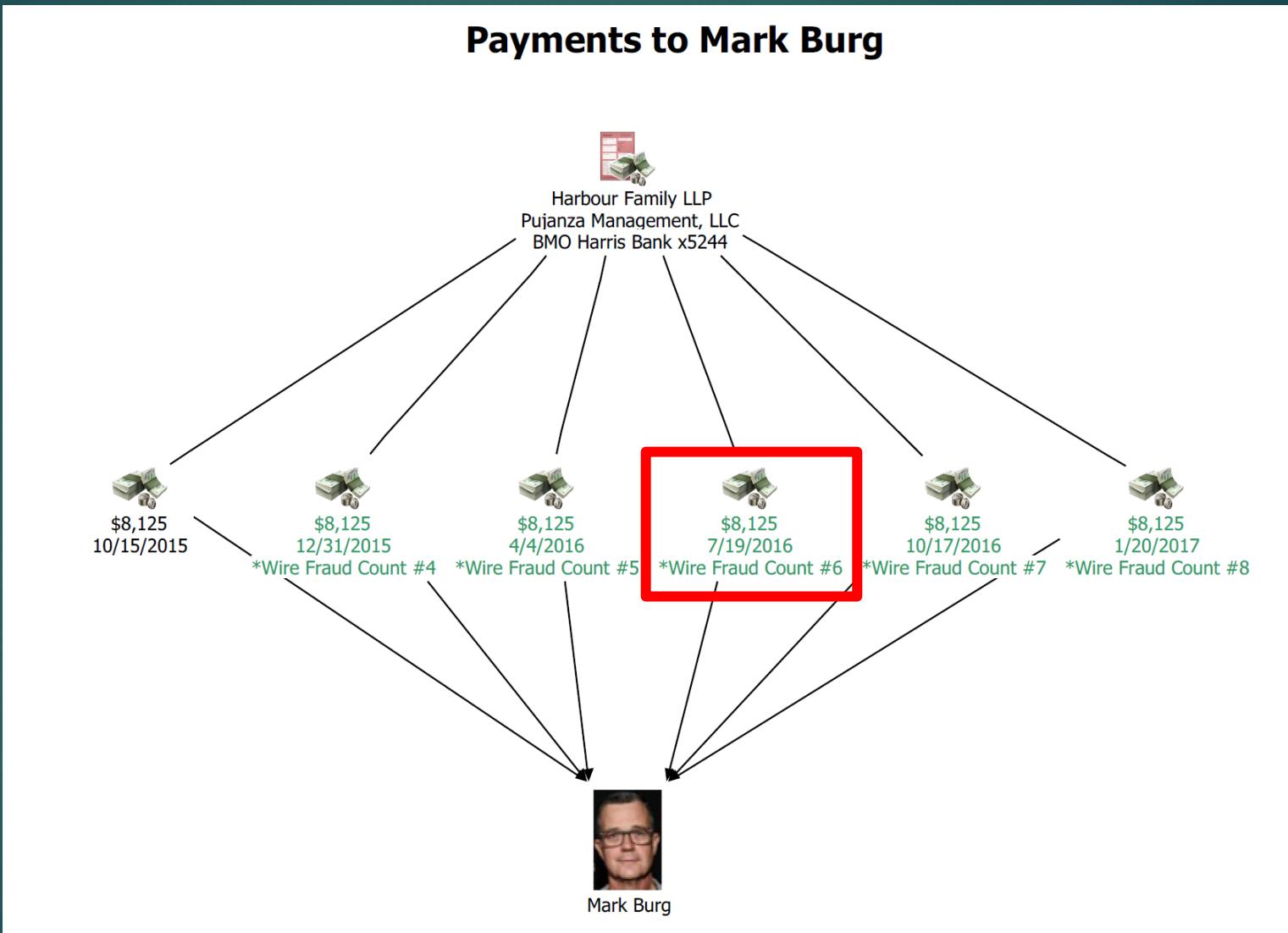


| Number | Date       | Source   | Count               |
|--------|------------|--|---------------------|
| 1      | 10/15/2015 | Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964           |                     |
| 2      | 12/31/2015 | Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964          | Wire Fraud Count #4 |
| 3      | 4/4/2016   | Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964             | Wire Fraud Count #5 |
| 4      | 7/19/2016  | Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236 | Wire Fraud Count #6 |
| 5      | 10/17/2016 | Cash Deposit   | Wire Fraud Count #7 |
| 6      | 1/20/2017  | Two Teller Deposits  | Wire Fraud Count #8 |

Date:  
4/4/2016



# Wire Fraud – Counts 4, 5, 6, 7, and 8



# Count 6, Wire Fraud - \$8,125

**Fedwire,  
wire through  
Federal Reserve**



**DAVID  
HARBOUR**

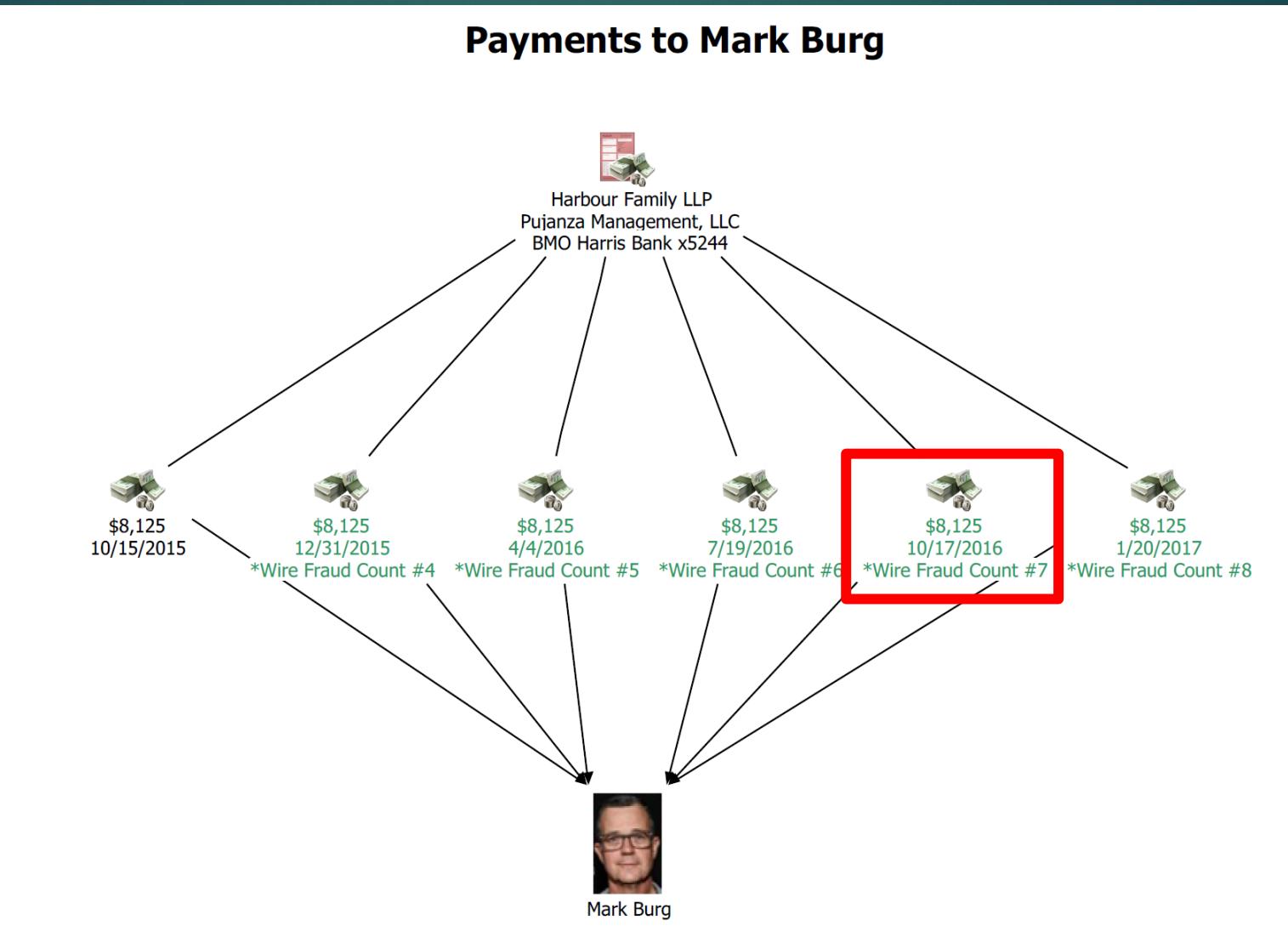


| Number | Date       | Source   | Count               |
|--------|------------|--|---------------------|
| 1      | 10/15/2015 | Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964           |                     |
| 2      | 12/31/2015 | Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964          | Wire Fraud Count #4 |
| 3      | 4/4/2016   | Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964             | Wire Fraud Count #5 |
| 4      | 7/19/2016  | Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236 | Wire Fraud Count #6 |
| 5      | 10/17/2016 | Cash Deposit   | Wire Fraud Count #7 |
| 6      | 1/20/2017  | Two Teller Deposits  | Wire Fraud Count #8 |

**Date:  
7/19/2016**



# Wire Fraud – Counts 4, 5, 6, 7, and 8



# Count 7, Wire Fraud - \$8,125

**Fedwire,  
wire through  
Federal Reserve**

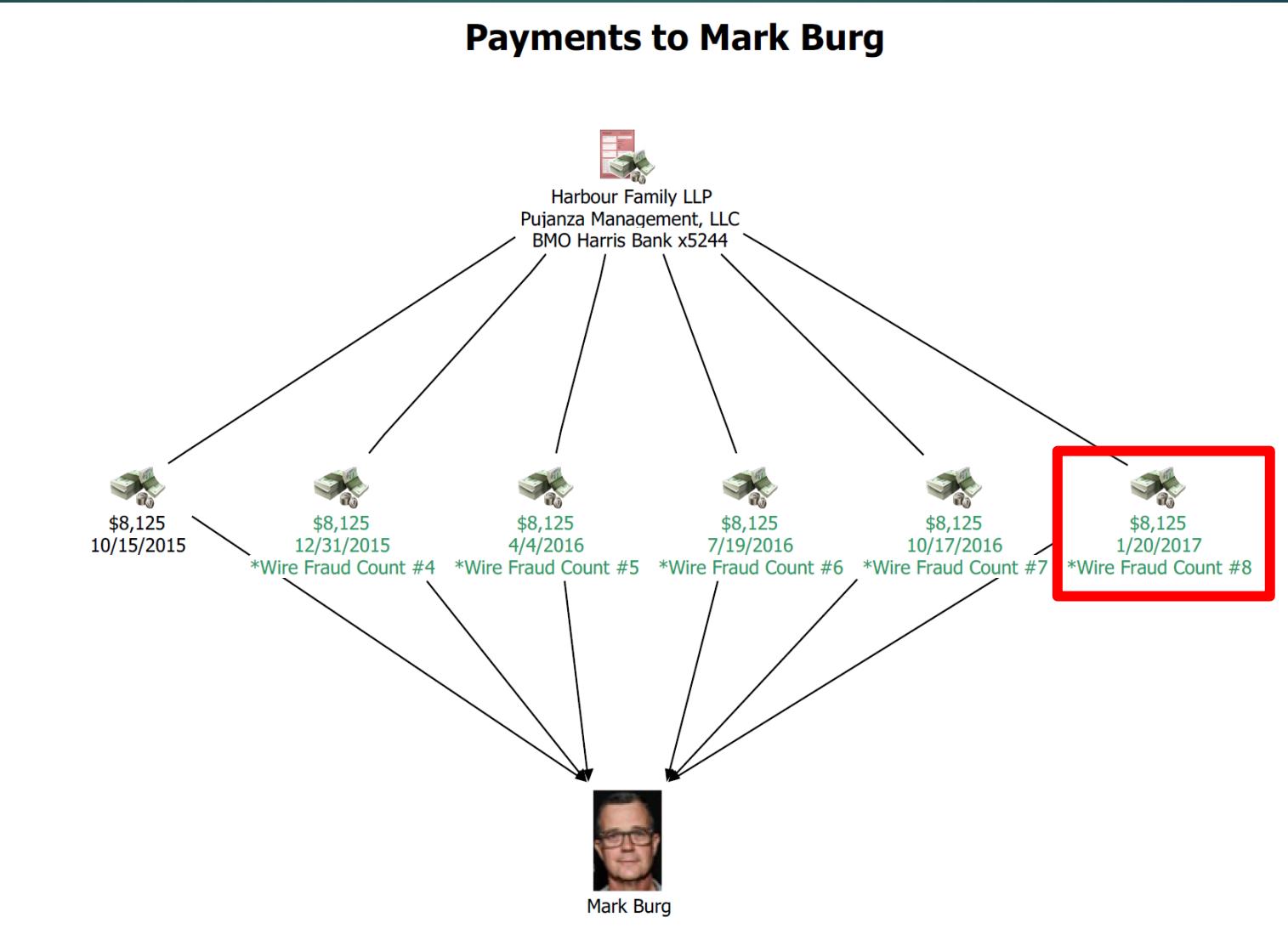


| Number | Date       | Source   | Count               |
|--------|------------|--|---------------------|
| 1      | 10/15/2015 | Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964           |                     |
| 2      | 12/31/2015 | Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964          | Wire Fraud Count #4 |
| 3      | 4/4/2016   | Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964             | Wire Fraud Count #5 |
| 4      | 7/19/2016  | Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236 | Wire Fraud Count #6 |
| 5      | 10/17/2016 | Cash Deposit   | Wire Fraud Count #7 |
| 6      | 1/20/2017  | Two Teller Deposits  | Wire Fraud Count #8 |

Date:  
10/17/2016



# Wire Fraud – Counts 4, 5, 6, 7, and 8



# Count 8, Wire Fraud - \$8,125

**Fedwire,  
wire through  
Federal Reserve**



| Number | Date       | Source   | Count               |
|--------|------------|--|---------------------|
| 1      | 10/15/2015 | Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964           |                     |
| 2      | 12/31/2015 | Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964          | Wire Fraud Count #4 |
| 3      | 4/4/2016   | Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964             | Wire Fraud Count #5 |
| 4      | 7/19/2016  | Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236 | Wire Fraud Count #6 |
| 5      | 10/17/2016 | Cash Deposit   | Wire Fraud Count #7 |
| 6      | 1/20/2017  | Two Teller Deposits  | Wire Fraud Count #8 |

Date:  
1/20/2017



# Count 9, Wire Fraud - \$10,942

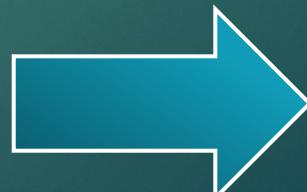
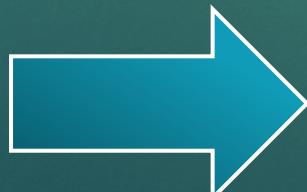
# Fedwire, wire through Federal Reserve



DAVID  
HARBOUR

| GREEN CIRCLE<br>ASSIGNED ACCOUNT F/S/I FINTECH<br>FINANCIAL LLC<br>■ WAKEPAMNI LAKE HOUSING<br>BATESLAND SD 57716 |   |           | PAGE: 5 of 1 |
|---|---|-----------|--------------|
| MAR 14  | TELLER DEPOSIT                              |           | 199.92       |
| MAR 14  | TELLER DEPOSIT                              |           | 541.0        |
| MAR 14  | TELLER DEPOSIT                              |           | 569.9        |
| MAR 14  | CCD PDS SETTLEMENT G SETTLEMENT 11232271196 |           | 16,756.8     |
| MAR 14  | RETURN ITEMS CHARGEBACK 00041               | 269.43    |              |
| MAR 14  | RETURN ITEMS CHARGEBACK 00451               | 301.35    |              |
| MAR 14  | OP 160314915449 OUTGOING PAYMENT MTTRF      | 15,000.00 |              |
| MAR 14  | FED WIRE TRANSFER DEBIT 160314915542        | 50,000.00 |              |
| MAR 14  | PPD ROUND SKY IN7684 DEBITS GREENCIRCLE     | 220.00    |              |
| MAR 14  | PPD GIACTSYSTEMS4400 31116 3456663          | 338.04    |              |
| MAR 14  | CCD PDS SETTLEMENT G SETTLEMENT 11307281259 | 3,686.27  |              |
| MAR 15  | TELLER DEPOSIT                              |           | 677.14       |
| MAR 15  | TELLER DEPOSIT                              |           | 2,798.73     |
| MAR 15  | FED WIRE TRANSFER CREDIT 160310876701       | 9,900.00  |              |
| MAR 15  | FED WIRE TRANSFER CREDIT 160314915449       | 14,900.00 |              |
| MAR 15  | CCD PDS SETTLEMENT G SETTLEMENT 11232271196 | 35,308.73 |              |
| MAR 15  | FED WIRE TRANSFER DEBIT 160315927392        | 10,942.24 |              |

Date:  
3/15/2016



# Count 10, Wire Fraud - \$11,062

**Fedwire,  
wire through  
Federal Reserve**



**DAVID  
HARBOUR**



| GREEN CIRCLE<br>ASSIGNED ACCOUNT F/S/I FINTECH<br>FINANCIAL LLC<br>WAKEPAMNI LAKE HOUSING<br>BATESLAND SD 57716 |   |           |
|---|---|-----------|
| JUN 10  | REMOTE DEPOSIT                              | 1,893.46  |
| JUN 10  | REMOTE DEPOSIT                              | 1,922.98  |
| JUN 10  | REMOTE DEPOSIT                              | 2,103.74  |
| JUN 10  | REMOTE DEPOSIT                              | 2,103.90  |
| JUN 10  | REMOTE DEPOSIT                              | 2,440.42  |
| JUN 10  | REMOTE DEPOSIT                              | 2,458.05  |
| JUN 10  | REMOTE DEPOSIT                              | 2,724.01  |
| JUN 10  | REMOTE DEPOSIT                              | 2,909.12  |
| JUN 10  | REMOTE DEPOSIT                              | 3,131.28  |
| JUN 10  | REMOTE DEPOSIT                              | 3,286.05  |
| JUN 10  | REMOTE DEPOSIT                              | 3,428.86  |
| JUN 10  | TELLER DEPOSIT                              | 3,944.32  |
| JUN 10  | TELLER DEPOSIT                              | 6,327.92  |
| JUN 10  | CCD PRIORITY PAYOUT 6102016 GREENCIRCLE     | 20,974.94 |
| JUN 10  | DEPOSIT ADJ DEBIT DEPOSITOR ID 0000000000   | 52.60     |
| JUN 10  | DEPOSIT ADJ DEBIT DEPOSITOR ID 0000000000   | 56.96     |
| JUN 10  | RETURN ITEMS CHARGEBACK 00349               | 484.35    |
| JUN 10  | WEB GATEWAY SERVICES WEBPAYMENT             | 83.40     |
| JUN 10  | CCD PAYDAY LOAN MANA 7752848777             | 150.00    |
| JUN 10  | CCD ADP PAYROLL FEES ADP - FEES R6YH0579925 | 197.11    |
| JUN 10  | CCD PAYDAY LOAN MANA 7752848777             | 300.00    |
| JUN 13  | TELLER DEPOSIT                              | 795.37    |
| JUN 13  | RETURN ITEMS CHARGEBACK 00257               | 247.57    |
| JUN 13  | RETURN ITEMS CHARGEBACK 00456               | 283.65    |
| JUN 13  | FED WIRE TRANSFER DEBIT 160613966127        | 7,176.50  |
| JUN 13  | PPD ROUND SKY IN7684 DEBITS GREENCIRCLE     | 20.00     |
| JUN 13  | PPD GIACTSYSTEMS4400 061016 3459420         | 169.29    |
| JUN 13  | CCD LEAD FLASH CUST PMTS P1227              | 640.00    |
| JUN 13  | CCD MICROBILT CORPOR DATA SVCS 117A1299102  | 9,975.82  |
| JUN 14  | RETURN ITEMS CHARGEBACK 00231               | 872.49    |
| JUN 14  | RETURN ITEMS CHARGEBACK 00421               | 931.47    |
| JUN 14  | RETURN ITEMS CHARGEBACK 00420               | 1,094.55  |
| JUN 14  | RETURN ITEMS CHARGEBACK 00232               | 1,190.97  |
| JUN 14  | RETURN ITEMS CHARGEBACK 00233               | 1,320.09  |
| JUN 14  | FED WIRE TRANSFER DEBIT 160614974982        | 12,000.00 |
| JUN 14  | CCD ADP Tax/401k Tax/401k YH061513A01       | 100.16    |
| JUN 15  | TELLER DEPOSIT                              | 75.00     |
| JUN 15  | TELLER DEPOSIT                              | 853.55    |
| JUN 15  | TELLER DEPOSIT                              | 5,104.74  |
| JUN 15  | PC TRANSFER CREDIT                          | 20,000.00 |
| JUN 15  | RETURN ITEMS CHARGEBACK 00557               | 611.55    |
| JUN 15  | RETURN ITEMS CHARGEBACK 00294               | 625.51    |
| JUN 15  | RETURN ITEMS CHARGEBACK 00223               | 11,062.49 |
| JUN 15  | FED WIRE TRANSFER DEBIT 160615997446        | 11,062.49 |

**Date:  
6/15/2016**



# Omissions with Willson

- ▶ Defendant continued to amend Willson's promissory note throughout the years
- ▶ Defendant left out material items:
  - ▶ FTC Investigation into Canyon Road
  - ▶ Canyon Road taken over by FTC in 2014
- ▶ Willson would not have signed a note had Defendant told her:
  - ▶ Canyon Road Holdings was in an FTC receivership
  - ▶ Canyon Road's assets were seized, and it was no longer working

# Delays in Payments to Willson and Hill

- ▶ Defendant received numerus requests from Alison Willson regarding investment and late payments through 2015 and 2016
- ▶ Willson only received three payments for investment, last payment made in 2016
- ▶ Carol Hill's IRA only received one payment to continue to keep the account open
- ▶ Defendant acknowledges investment in text exchange with Hill in 2019



Not Guilty

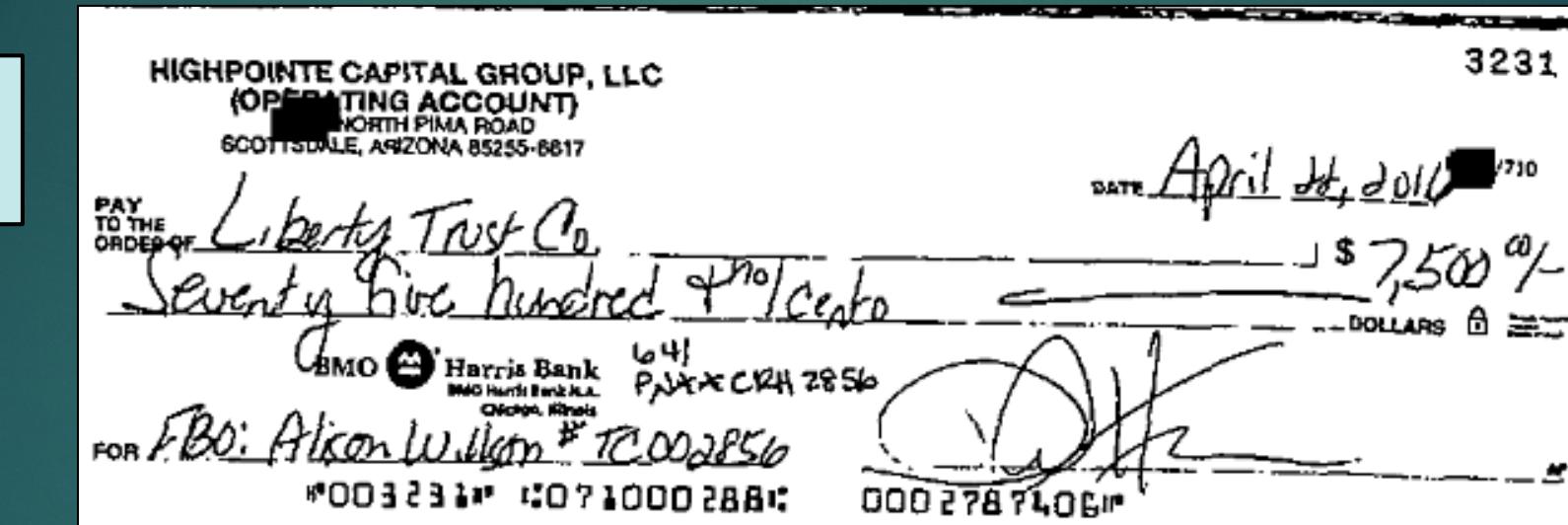
Guilty



Mail, check  
went through US  
mail service



Arizona



Date:  
4/22/2016



Texas



Mail, check  
went through US  
mail service

Count #11

LIBERTY TRUST COMPANY  
c/o IPS  
8226 DOUGLAS AVENUE, SUITE 520  
DALLAS, TX 75225 - 5927

Account Statement

From 1/1/2016 To 12/31/2016

Account #: TC002856

Alison Lynette Willson

#### TRANSACTION SUMMARY

| Date    | Description  | Shares/Units | Cash Change | Investment Change |
|---------|--|--------------|-------------|-------------------|
|         | Beginning Cash Balance                                 |              | \$0.00      |                   |
|         | <u>Cash</u>  |              |             |                   |
| 9/1/16  | FEES DEBITED Collected for Period Ending 08/31/2016    | 0.0000       | (\$250.00)  | \$0.00            |
| 11/8/16 | IRA CASH TRANSFER DEPOSIT BY WIRE Wire From: Scottrade | 0.0000       | \$10,000.00 | \$0.00            |
| 12/1/16 | FEES DEBITED Collected for Period Ending 11/30/2016    | 0.0000       | (\$125.00)  | \$0.00            |
| 12/1/16 | FEES DEBITED Collected for Period Ending 11/30/2016    | 0.0000       | (\$125.00)  | \$0.00            |
|         | Totals for 4 Transactions for:                         | 0.0000       | \$9,500.00  | \$0.00            |
|         | <u>Interest Bearing Acct.-Own Inst.</u>                |              |             |                   |

|          |  |               |               |               |
|----------|--|---------------|---------------|---------------|
|          | <u>Third Coast Bank</u>                            |               |               |               |
| 1/31/16  | INTEREST Third Coast Bank Cash Payable: 1/31/2016  | 1.7800        | \$0.00        | \$1.78        |
| 2/29/16  | INTEREST Third Coast Bank Cash Payable: 2/29/2016  | 1.6700        | \$0.00        | \$1.67        |
| 3/31/16  | INTEREST Third Coast Bank Cash Payable: 3/31/2016  | 1.7800        | \$0.00        | \$1.78        |
| 4/27/16  | PURCHASE OF SWEEP ASSET Third Coast Bank Cash      | 7,500.0000    | (\$7,500.00)  | \$7,500.00    |
| 4/30/16  | INTEREST Third Coast Bank Cash Payable: 4/30/2016  | 2.0900        | \$0.00        | \$2.09        |
| 5/31/16  | INTEREST Third Coast Bank Cash Payable: 5/31/2016  | 2.1600        | \$0.00        | \$2.16        |
| 6/30/16  | INTEREST Third Coast Bank Cash Payable: 6/30/2016  | 2.0900        | \$0.00        | \$2.09        |
| 7/31/16  | INTEREST Third Coast Bank Cash Payable: 7/31/2016  | 2.1600        | \$0.00        | \$2.16        |
| 8/31/16  | INTEREST Third Coast Bank Cash Payable: 8/31/2016  | 2.1600        | \$0.00        | \$2.16        |
| 9/1/16   | SALE OF SWEEP ASSET Third Coast Bank Cash          | (250.0000)    | \$250.00      | (\$250.00)    |
| 9/30/16  | INTEREST Third Coast Bank Cash Payable: 9/30/2016  | 2.0800        | \$0.00        | \$2.08        |
| 10/31/16 | INTEREST Third Coast Bank Cash Payable: 10/31/2016 | 2.1500        | \$0.00        | \$2.15        |
| 11/8/16  | PURCHASE OF SWEEP ASSET Third Coast Bank Cash      | 10,000.0000   | (\$10,000.00) | \$10,000.00   |
| 11/14/16 | SALE OF SWEEP ASSET Third Coast Bank Cash          | (45,000.0000) | \$45,000.00   | (\$45,000.00) |
| 11/30/16 | INTEREST Third Coast Bank Cash Payable: 11/30/2016 | 0.3600        | \$0.00        | \$0.36        |
| 12/1/16  | SALE OF SWEEP ASSET Third Coast Bank Cash          | (250.0000)    | \$250.00      | (\$250.00)    |
| 12/12/16 | PURCHASE OF SWEEP ASSET Third Coast Bank Cash      | 650.0000      | (\$650.00)    | \$650.00      |
| 12/31/16 | INTEREST Third Coast Bank Cash Payable: 12/31/2016 | 0.3900        | \$0.00        | \$0.39        |

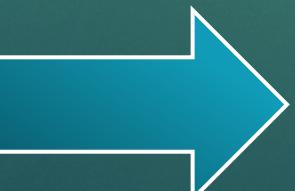
|          |   |        |               |             |
|----------|---|--------|---------------|-------------|
|          | <u>Loans &amp; Notes Receivable</u>   |        |               |             |
|          | <u>Note To: Canyon Road Holdings, LLC</u>   |        |               |             |
| 4/27/16  | LOAN PAYMENT - INTEREST Note To: Canyon Road Holdings, LLC                            | 0.0000 | \$7,500.00    | \$0.00      |
|          | Totals for 1 Transactions for: Note To: Canyon Road Holdings, LLC                     | 0.0000 | \$7,500.00    | \$0.00      |
|          | <u>Note To: Timothy J. Benson, P.C.</u>   |        |               |             |
| 11/14/16 | PURCHASE OF ASSET BY WIRE Note To: Timothy J. Benson, P.C. Wire To: BBVA Compass Bank | 1.0000 | (\$45,000.00) | \$45,000.00 |
| 12/12/16 | LOAN PAYMENT - INTEREST Note To: Timothy J. Benson, P.C.                              | 0.0000 | \$650.00      | \$0.00      |
|          | Totals for 2 Transactions for: Note To: Timothy J. Benson, P.C.                       | 1.0000 | (\$44,350.00) | \$45,000.00 |

Not Guilty

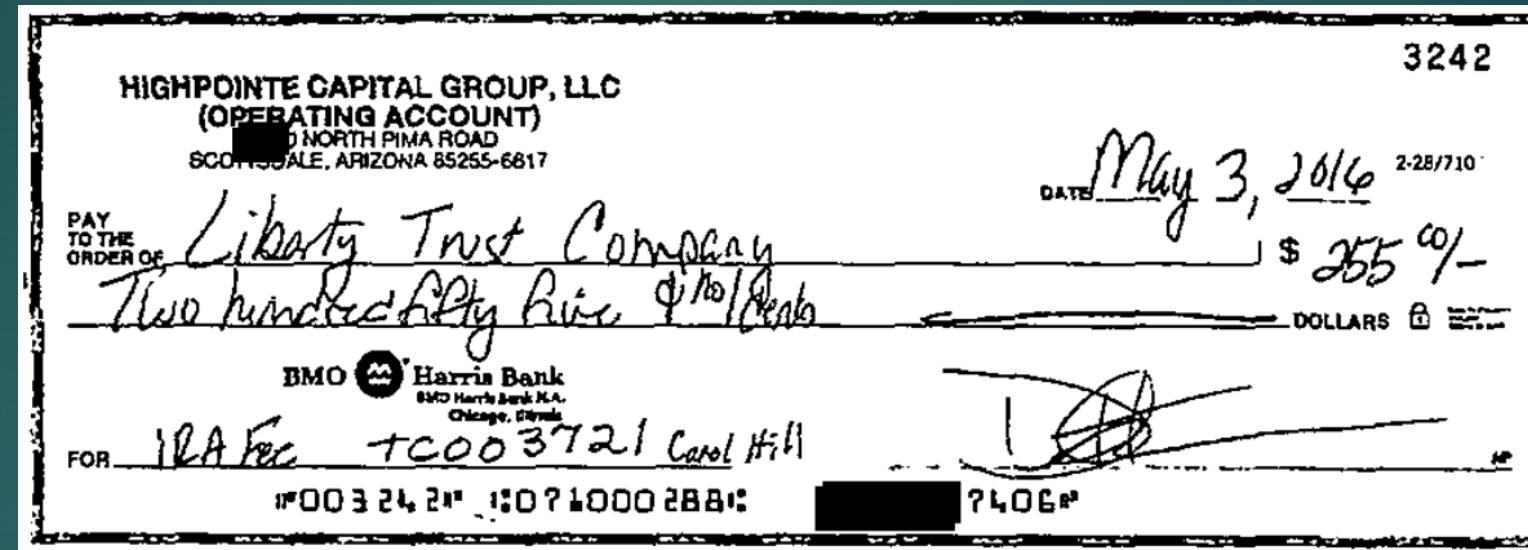
Guilty



Mail, check  
went through US  
mail service



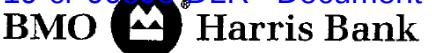
Date:  
5/3/2016





Mail, check  
went through US  
mail service

Count #12



A part of BMO Financial Group

BMO HARRIS BANK N.A.  
P.O. BOX 755  
CHICAGO, IL 60690

ACCOUNT NUMBER:

████████740-6

STATEMENT PERIOD  
05/01/16 TO 05/31/16

PAGE: 1 OF 2

HIGHPOINTE CAPITAL GROUP LLC  
████████ N PIMA RD  
SCOTTSDALE AZ 85255

ITEMS ENCLOSED 0

BUSINESS ACCESS CHECKING

ACCOUNT NUMBER

████████740-6

ACCOUNT SUMMARY

YOUR PREVIOUS BALANCE WAS 143,992.71

YOUR TRANSACTIONS THIS PERIOD INCLUDED:

3 DEPOSITS 8,308.39  
20 WITHDRAWALS 93,226.61

YOUR ENDING BALANCE WAS 59,074.49  
YTD INTEREST PAID IS .00  
YTD INTEREST WITHHELD IS .00

TRANSACTIONS LISTED BY DATE POSTED

| DATE<br>POSTED | TRANSACTION DESCRIPTION     | WITHDRAWALS<br>OTHER DEBITS | DEPOSITS<br>OTHER CREDITS |
|----------------|-----------------------------|-----------------------------|---------------------------|
| MAY 03         | TELLER DEPOSIT              |                             | 3,264.25                  |
| MAY 13         | CCD INTEGRA PAYROLL INVOICE | H004625 2,737.96            |                           |
| MAY 13         | CCD INTEGRA PAYROLL INVOICE | H004626 6,474.73            |                           |
| MAY 23         | WEB AMEX EPayment ACH PMT   | M8194 55,223.96             |                           |
| MAY 23         | ACCT ANALYSIS SERV CHG      |                             | 23.17                     |
| MAY 27         | TELLER DEPOSIT              |                             | 44.14                     |
| MAY 31         | TELLER DEPOSIT              |                             | 5,000.00                  |
| MAY 31         | CCD INTEGRA PAYROLL INVOICE | H004651 2,175.20            |                           |

THE FOLLOWING CHECKS ARE INCLUDED IN THIS STATEMENT

| NUMBER   | AMOUNT    | DATE  | NUMBER | AMOUNT   | DATE  | NUMBER | AMOUNT | DATE  |
|----------|-----------|-------|--------|----------|-------|--------|--------|-------|
| 03234    | 745.42    | 05/02 | 03240  | 630.00   | 05/04 | 03245  | 123.33 | 05/24 |
| 03236*   | 4,650.00  | 05/05 | 03241  | 255.00   | 05/09 | 03246  | 745.42 | 05/25 |
| 03237    | 2,000.00  | 05/03 | 03242  | 255.00   | 05/09 | 03247  | 367.45 | 05/24 |
| 03238    | 5,000.00  | 05/06 | 03243  | 1,000.00 | 05/10 | 03248  | 147.97 | 05/23 |
| 03239    | 53.70     | 05/04 | 03244  | 1,686.35 | 05/20 | 03249  | 77.50  | 05/31 |
| SUBTOTAL | 26,591.59 |       |        |          |       |        |        |       |

BILLING DATE: 2/3/2015  
 INVOICE NO: 4852  
 BILLING PERIOD: 1/1/2015 - 1/31/2015



Mail, check  
went through US  
mail service

Count #12

L + T + C

LIBERTY TRUST COMPANY

C/O IPS  
 8226 DOUGLAS AVENUE, SUITE 520  
 DALLAS, TX 75225 - 5927

Bill To

Carol M. Hill  
 5689 E. Bell Street  
 Apache Junction, AZ 85119

Carol M. Hill TRAD IRA  
 ACCOUNT NUMBER: TC003721

Billing Summary

| Date      | Description  | Transaction Amount | Quantity | Rate     | Amount          | Balance |
|-----------|--|--------------------|----------|----------|-----------------|---------|
|           | <b>Balance Forward</b>                                 |                    |          |          | <b>\$205.00</b> |         |
|           | Annual Account Maintenance Fee                         |                    | 1        | \$125.00 | \$125.00        |         |
|           | Promissory Note Holding Fee<br>Note To: Northrock, LLC |                    | 1        | \$125.00 | \$125.00        |         |
| 1/31/2015 | Miscellaneous Fee<br>Invoice Fee                       |                    |          |          | \$5.00          |         |
|           | <b>Total Fees Assessed for Current Period</b>          |                    |          |          | <b>\$255.00</b> |         |
| 2/3/2015  | Collected for Period Ending 01/31/2015                 |                    |          |          | (\$0.94)        |         |
|           | <b>Total Payment/Fees Collected from Account</b>       |                    |          |          | <b>(\$0.94)</b> |         |
|           | <b>Balance Due</b>                                     |                    |          |          | <b>\$459.06</b> |         |

MAKE CHECKS PAYABLE TO: Liberty Trust Company, Ltd.  
 Please include ACCOUNT NUMBER on Check

Any fees that are unpaid for more than 30 days will be debited  
 from your account, to the extent funds are available.

Please remit \$459.06 by 3/ 9/15 to:

LIBERTY TRUST COMPANY, LTD.  
 C/O IPS  
 8226 DOUGLAS AVENUE, SUITE 520  
 DALLAS, TX 75225

# Money Laundering, Five Elements

- 1. Monetary Transaction**
- 2. Criminally Derived Property**
- 3. Worth More Than \$10,000**
- 4. Derived From Wire or Mail Fraud**
- 5. Occurred in the United States**

# First Element, Monetary Transaction

- **Plain English:** Any financial transaction involving a federally insured bank.
- **Proof:** Counts 13 – 23 all involve accounts at Northern Trust, Bank of America, and BMO Harris are federally insured banks.

# Money Laundering, Five Elements

1. Monetary Transaction 
2. Criminally Derived Property
3. Worth More Than \$10,000
4. Derived From Wire or Mail Fraud
5. Occurred in the United States

## Second Element, Criminally Derived Property

- **Plain English:** Defendant knew the money was derived from a criminal offense.
- **Proof:** Defendant obtained investor money from both wire fraud.

# Money Laundering, Five Elements

1. Monetary Transaction 
2. Criminally Derived Property 
3. Worth More Than \$10,000
4. Derived From Wire or Mail Fraud
5. Occurred in the United States

# Third Element, Worth More Than \$10,000

- **Plain English:** The property had a value greater than \$10,000.
- **Proof:** Each transaction in counts 13 – 23 involved more than \$10,000.

# Money Laundering, Five Elements

1. Monetary Transaction 
2. Criminally Derived Property 
3. Worth More Than \$10,000 
4. Derived From Wire Fraud
5. Occurred in the United States

## Fourth Element, Derived From Wire Fraud

- **Plain English:** The money involved in the transfers had to be “derived” from wire fraud.
- **Proof:** All of the money Defendant obtained was due to wire fraud.

# Money Laundering, Five Elements

1. Monetary Transaction 
2. Criminally Derived Property 
3. Worth More Than \$10,000 
4. Derived From Wire or Mail Fraud 
5. Occurred in the United States

# Fifth Element, Occurred in the United States

- **Plain English:** The transaction occurred in the United States
- **Proof:** Each transaction in counts 13 – 23 involve accounts at Northern Trust, Bank of America, and BMO Harris which are financial institutions located in the United States.

# Money Laundering, Five Elements

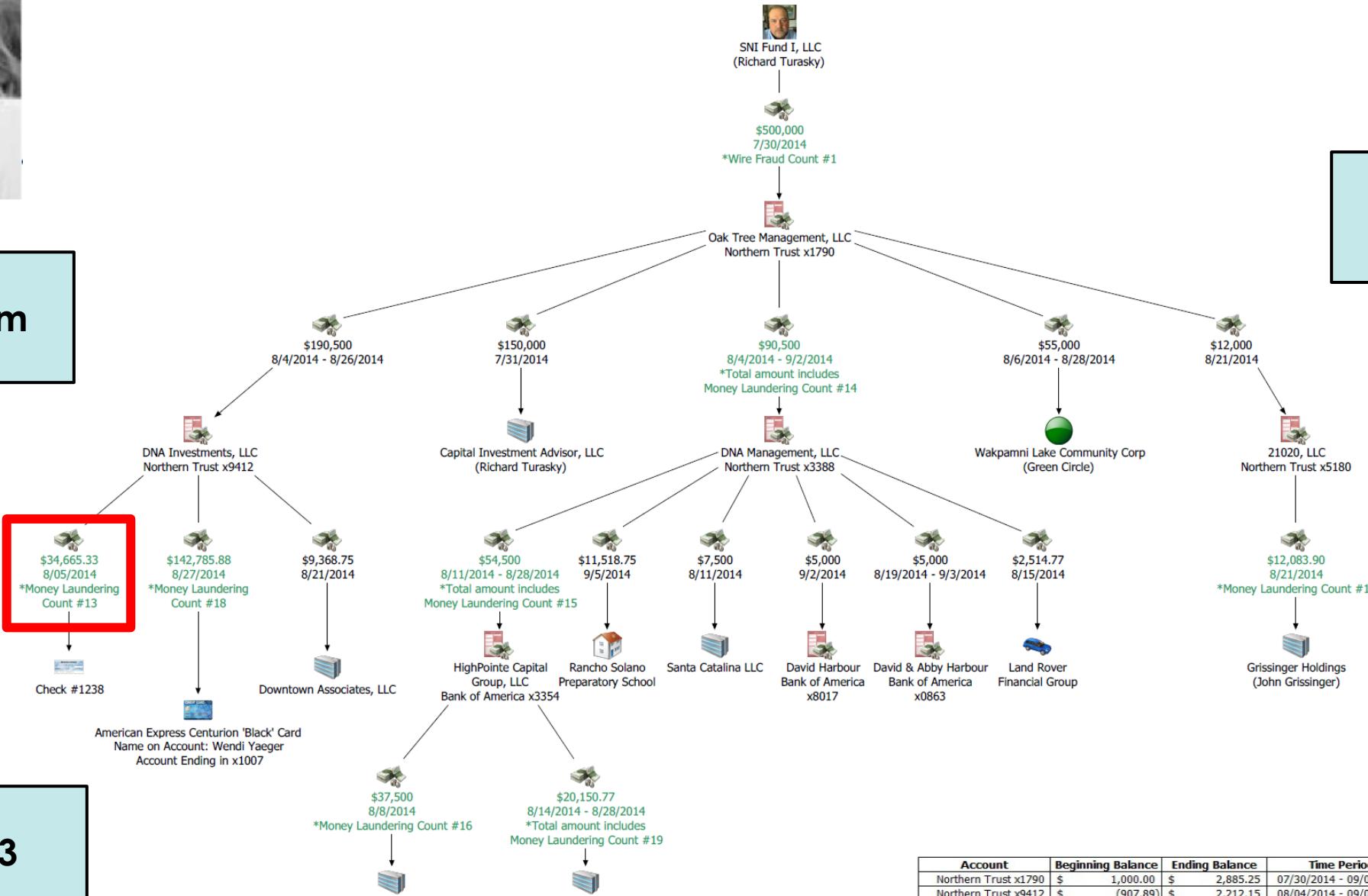
1. Monetary Transaction 
2. Criminally Derived Property 
3. Worth More Than \$10,000 
4. Derived From Wire or Mail Fraud 
5. Occurred in the United States 



DAVID HARBOUR

## Proceeds derived from count #1

Count #13



Date:  
8/5/2014

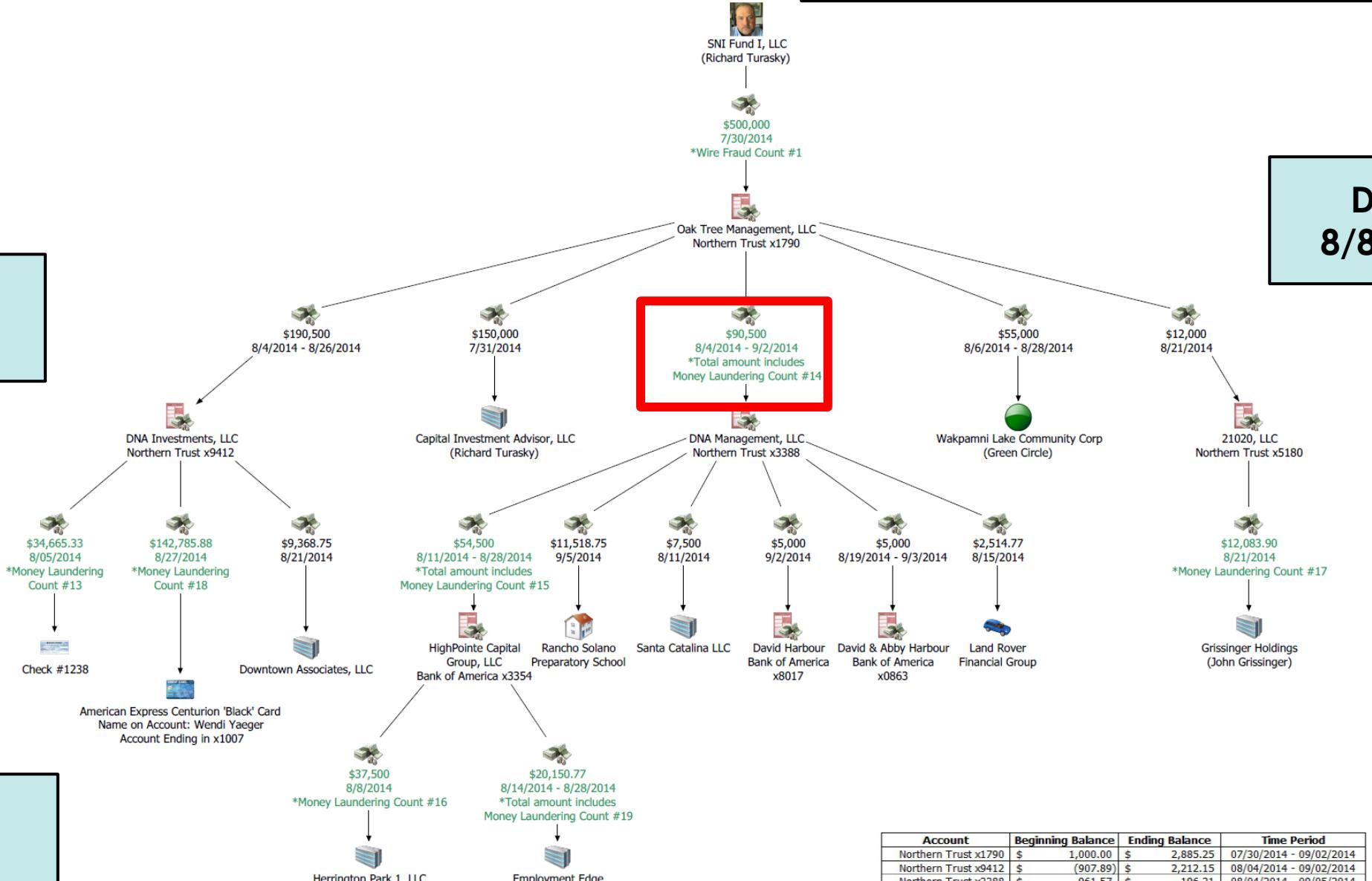
| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| Northern Trust x1790  | \$ 1,000.00       | \$ 2,885.25    | 07/30/2014 - 09/02/2014 |
| Northern Trust x9412  | \$ (907.89)       | \$ 2,212.15    | 08/04/2014 - 09/02/2014 |
| Northern Trust x3388  | \$ 961.57         | \$ 196.31      | 08/04/2014 - 09/05/2014 |
| Bank of America x3354 | \$ 17,145.33      | \$ 4,595.34    | 08/08/2014 - 08/28/2014 |
| Northern Trust x5180  | \$ 1,612.31       | \$ 1,528.41    | 08/21/2014              |



DAVID HARBOUR

Proceeds derived from count #1

Count #14



| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| Northern Trust x1790  | \$ 1,000.00       | \$ 2,885.25    | 07/30/2014 - 09/02/2014 |
| Northern Trust x9412  | \$ (907.89)       | \$ 2,212.15    | 08/04/2014 - 09/02/2014 |
| Northern Trust x3388  | \$ 961.57         | \$ 196.31      | 08/04/2014 - 09/05/2014 |
| Bank of America x3354 | \$ 17,145.33      | \$ 4,595.34    | 08/08/2014 - 08/28/2014 |
| Northern Trust x5180  | \$ 1,612.31       | \$ 1,528.41    | 08/21/2014              |

# Count 14, Money Laundering

## \$37,500



DAVID  
HARBOUR

Proceeds  
derived from  
count #1

Count #14

Date:  
8/8/2014

Underlying Detail - Oak Tree Management, LLC Northern Trust x1790  
July 30, 2014 - September 2, 2014

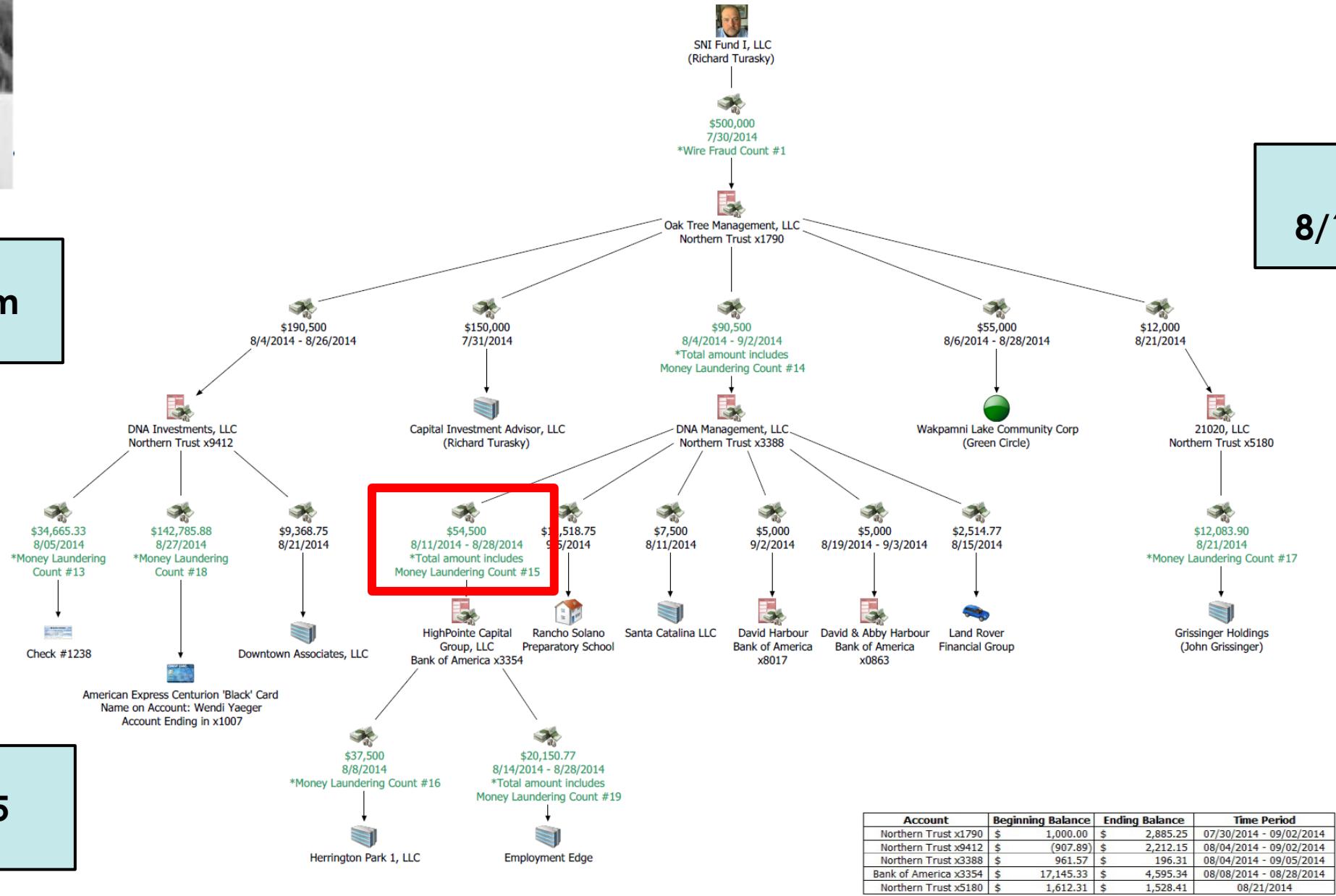
| Item Number | Account                                       | Posted Date | Description   | Paid To/From                                     | Outflows Detail | Inflows Detail | Balance       |
|-------------|---|-------------|---|--|-----------------|----------------|---------------|
| 1           | Oak Tree Management, LLC Northern Trust x1790 | 7/30/2014   | Beginning Balance Prior to Richard Turasky's Investment                               |  |                 |                | \$ 1,000.00   |
| 2           | Oak Tree Management, LLC Northern Trust x1790 | 7/30/2014   | Domestic Wire Recvd Wire In #516287 By Fwr#009994 Org=SNI Fund I LLC OTM Green Circle | SNI Fund I, LLC                                  |                 | \$ 500,000.00  | \$ 501,000.00 |
| 3           | Oak Tree Management, LLC Northern Trust x1790 | 7/30/2014   | Service Fee For: Domestic Wire Recv   | Bank Fee   | \$ (15.00)      |                | \$ 500,985.00 |
| 4           | Oak Tree Management, LLC Northern Trust x1790 | 7/31/2014   | Domestic Wire Sent Wire Out#404209 By Fwr#006481 BNP=Capital Investment Advisor LLC   | Capital Investment Advisor LLC (Richard Turasky) | \$ (150,000.00) |                | \$ 350,985.00 |
| 5           | Oak Tree Management, LLC Northern Trust x1790 | 7/31/2014   | Service Fee For: Domestic Wire Sent   | Bank Fee   | \$ (25.00)      |                | \$ 350,960.00 |
| 6           | Oak Tree Management, LLC Northern Trust x1790 | 8/4/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxxx9412                                 | DNA Investments, LLC Northern Trust x9412        | \$ (1,500.00)   |                | \$ 349,460.00 |
| 7           | Oak Tree Management, LLC Northern Trust x1790 | 8/4/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                 | DNA Management, LLC Northern Trust x3388         | \$ (10,000.00)  |                | \$ 339,460.00 |
| 8           | Oak Tree Management, LLC Northern Trust x1790 | 8/4/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxxx9412                                 | DNA Investments, LLC Northern Trust x9412        | \$ (35,000.00)  |                | \$ 304,460.00 |
| 9           | Oak Tree Management, LLC Northern Trust x1790 | 8/6/2014    | Domestic Wire Sent Wire Out #409603 By Fwr#003515 Bnp= Wakpamni Lake Community Corp   | Wakpamni Lake Community Corp. (Green Circle)     | \$ (50,000.00)  |                | \$ 254,460.00 |
| 10          | Oak Tree Management, LLC Northern Trust x1790 | 8/6/2014    | Service Fee For: Domestic Wire Sent   | Bank Fee   | \$ (25.00)      |                | \$ 254,435.00 |
| 11          | Oak Tree Management, LLC Northern Trust x1790 | 8/8/2014    | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                 | DNA Management, LLC Northern Trust x3388         | \$ (37,500.00)  |                | \$ 216,935.00 |
| 12          | Oak Tree Management, LLC Northern Trust x1790 | 8/12/2014   | Charge Check/ Acc 08/12 4019384 Ppd   | Bank Fee   | \$ (24.75)      |                | \$ 216,910.25 |
| 13          | Oak Tree Management, LLC Northern Trust x1790 | 8/15/2014   | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                 | DNA Management, LLC Northern Trust x3388         | \$ (4,000.00)   |                | \$ 212,910.25 |
| 14          | Oak Tree Management, LLC Northern Trust x1790 | 8/20/2014   | Phone Transfer Debit Prvt Passport Trf To xxxxxxx3388                                 | DNA Management, LLC Northern Trust x3388         | \$ (2,000.00)   |                | \$ 210,910.25 |
| 15          | Oak Tree Management, LLC Northern Trust x1790 | 8/21/2014   | Phone Transfer Debit Prvt Passport Trf To xxxxxxx5180                                 | 21020, LLC Northern Trust x5180                  | \$ (12,000.00)  |                | \$ 198,910.25 |
| 16          | Oak Tree Management, LLC Northern Trust x1790 | 8/22/2014   | Phone Transfer Debit Prvt Passport Trf To xxxxxxx9412                                 | DNA Investments, LLC Northern Trust x9412        | \$ (10,000.00)  |                | \$ 188,910.25 |



DAVID HARBOUR

Proceeds derived from count #1

Count #15



Date:  
8/11/2014

| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| Northern Trust x1790  | \$ 1,000.00       | \$ 2,885.25    | 07/30/2014 - 09/02/2014 |
| Northern Trust x9412  | \$ (907.89)       | \$ 2,212.15    | 08/04/2014 - 09/02/2014 |
| Northern Trust x3388  | \$ 961.57         | \$ 196.31      | 08/04/2014 - 09/05/2014 |
| Bank of America x3354 | \$ 17,145.33      | \$ 4,595.34    | 08/08/2014 - 08/28/2014 |
| Northern Trust x5180  | \$ 1,612.31       | \$ 1,528.41    | 08/21/2014              |

# Count 15, Money Laundering

## \$37,500



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Proceeds  
derived from  
count #1

Count #15

| Underlying Detail - DNA Management, LLC Northern Trust x3388 |   |  |  |                 |                |               |
|--|---|--|--|-----------------|----------------|---------------|
| August 4, 2014 - September 5, 2014                           |   |  |  |                 |                |               |
| Item Number  | Posted Date   | Description  | Paid To/From   | Outflows Detail | Inflows Detail | Balance       |
| 1  | DNA Management, LLC Northern Trust x3388<br>8/4/2014  | Beginning Balance Prior to Transfers from NT x1790 |  |                 |                | \$ 961.57     |
| 2  | DNA Management, LLC Northern Trust x3388<br>8/4/2014  | Phone Transfer Credit PRVT Passport TRF From x1790 | Oak Tree Management, LLC Northern Trust x1790        |                 | \$ 10,000.00   | \$ 10,961.57  |
| 3  | DNA Management, LLC Northern Trust x3388<br>8/8/2014  | Phone Transfer Credit PRVT Passport TRF From x1790 | Oak Tree Management, LLC Northern Trust x1790        |                 | \$ 37,500.00   | \$ 48,461.57  |
| 4  | DNA Management, LLC Northern Trust x3388<br>8/11/2014 |  |  |                 |                |               |
| 5  | DNA Management, LLC Northern Trust x3388<br>8/11/2014 | Check #5229  | HighPointe Capital Group, LLC Bank of America x3354  | \$ (37,500.00)  |                | \$ 9,069.83   |
| 6  | Northern Trust x3388<br>8/11/2014                     | Check #5227  | Santa Catalina LLC                                   | \$ (7,500.00)   |                | \$ 1,569.83   |
| 7  | DNA Management, LLC Northern Trust x3388<br>8/15/2014 | Phone Transfer Credit PRVT Passport TRF From x1790 | Oak Tree Management, LLC Northern Trust x1790        |                 | \$ 4,000.00    | \$ 5,569.83   |
| 8  | DNA Management, LLC Northern Trust x3388<br>8/15/2014 | Check #5231  | Land Rover Financial Group                           | \$ (2,514.77)   |                | \$ 3,055.06   |
| 9  | DNA Management, LLC Northern Trust x3388<br>8/18/2014 |  | Abby Harbour dba AJS Management, LLC U.S. Bank x0603 |                 |                |               |
| 10   | DNA Management, LLC Northern Trust x3388<br>8/18/2014 | Check #5232  |  | \$ (2,300.00)   |                | \$ 755.06     |
| 11   | DNA Management, LLC Northern Trust x3388<br>8/19/2014 | Check #5230  | Marilyn Kieffer-Andrews, RNP                         | \$ (350.00)     |                | \$ 405.06     |
| 12   | DNA Management, LLC Northern Trust x3388<br>8/19/2014 | Check #5233  | David & Abby Harbour Bank of America x0863           | \$ (2,000.00)   |                | \$ (1,594.94) |
| 13   | DNA Management, LLC Northern Trust x3388<br>8/20/2014 | Phone Transfer Credit PRVT Passport TRF From x1790 | Oak Tree Management, LLC Northern Trust x1790        |                 | \$ 2,000.00    | \$ 405.06     |
| 14   | DNA Management, LLC Northern Trust x3388<br>8/20/2014 | Overdraft Fee For Overdraft Check # 5233           | Bank Fee   | \$ (30.00)      |                | \$ 375.06     |
| 15   | DNA Management, LLC Northern Trust x3388<br>8/27/2014 | Check #5234  | Jim Brown  | \$ (500.00)     |                | \$ (124.94)   |
| 16   | DNA Management, LLC Northern Trust x3388<br>8/28/2014 |  | Oak Tree Management, LLC Northern Trust x1790        |                 | \$ 17,000.00   | \$ 16,875.06  |
| 17   | DNA Management, LLC Northern Trust x3388<br>8/28/2014 | Check #5236  | HighPointe Capital Group, LLC Bank of America x3354  | \$ (17,000.00)  |                | \$ (124.94)   |
| 18   | DNA Management, LLC Northern Trust x3388<br>8/28/2014 | Overdraft Fee For Overdraft CHECK # 5234           | Bank Fee   | \$ (30.00)      |                | \$ (154.94)   |
|  | DNA Management, LLC Northern Trust x3388<br>8/29/2014 | Phone Transfer Credit PRVT Passport TRF From x1790 | Oak Tree Management, LLC Northern Trust x1790        |                 | \$ 17,000.00   | \$ 16,845.06  |

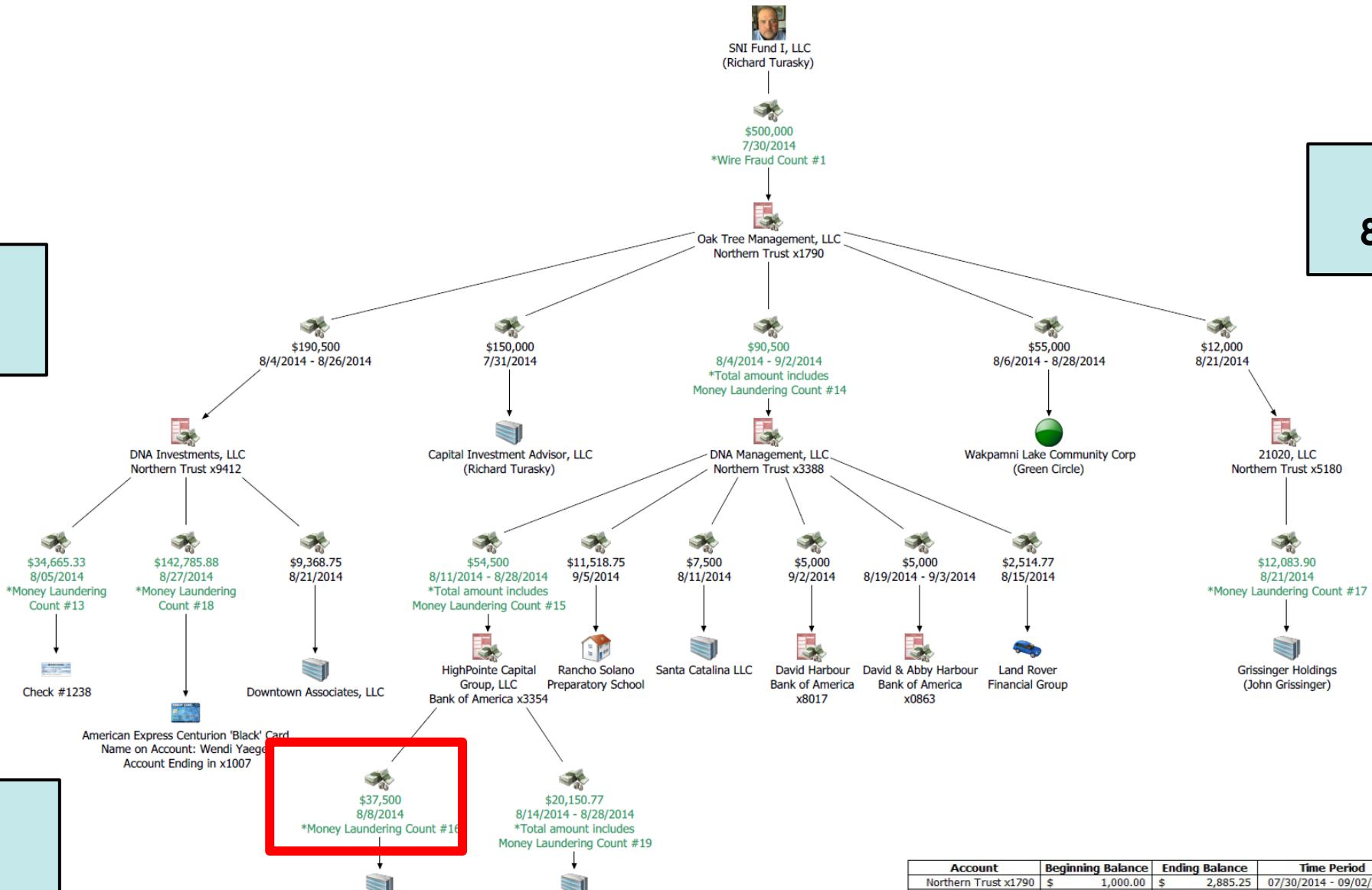
Date:  
8/11/2014



DAVID HARBOUR

## Proceeds derived from count #1

Count #16



Date:  
8/8/2014

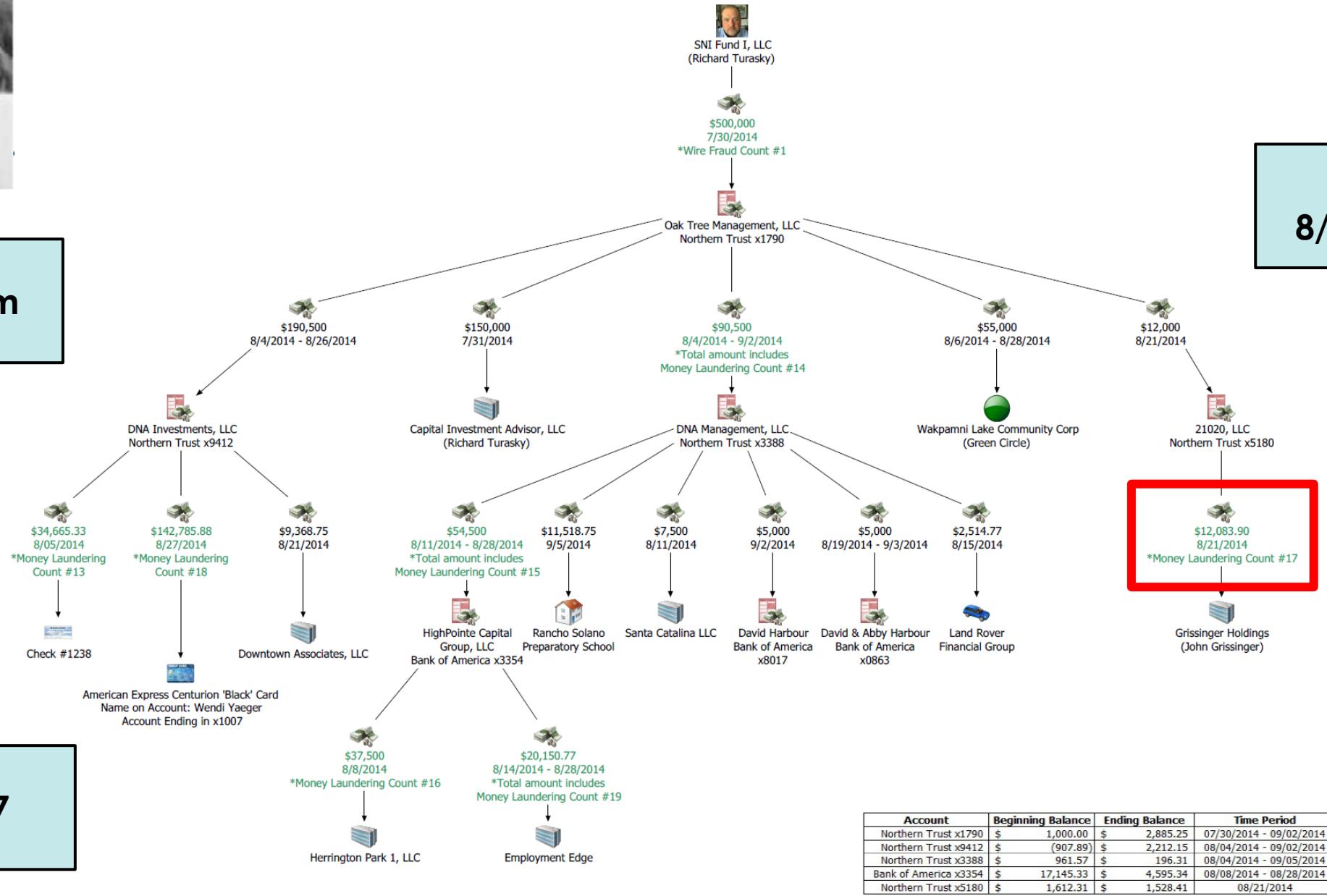
| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| Northern Trust x1790  | \$ 1,000.00       | \$ 2,885.25    | 07/30/2014 - 09/02/2014 |
| Northern Trust x9412  | \$ (907.89)       | \$ 2,212.15    | 08/04/2014 - 09/02/2014 |
| Northern Trust x3388  | \$ 961.57         | \$ 196.31      | 08/04/2014 - 09/05/2014 |
| Bank of America x3354 | \$ 17,145.33      | \$ 4,595.34    | 08/08/2014 - 08/28/2014 |
| Northern Trust x5180  | \$ 1,612.31       | \$ 1,528.41    | 08/21/2014              |



DAVID HARBOUR

## Proceeds derived from count #1

### Count #17



Date:  
8/21/2014

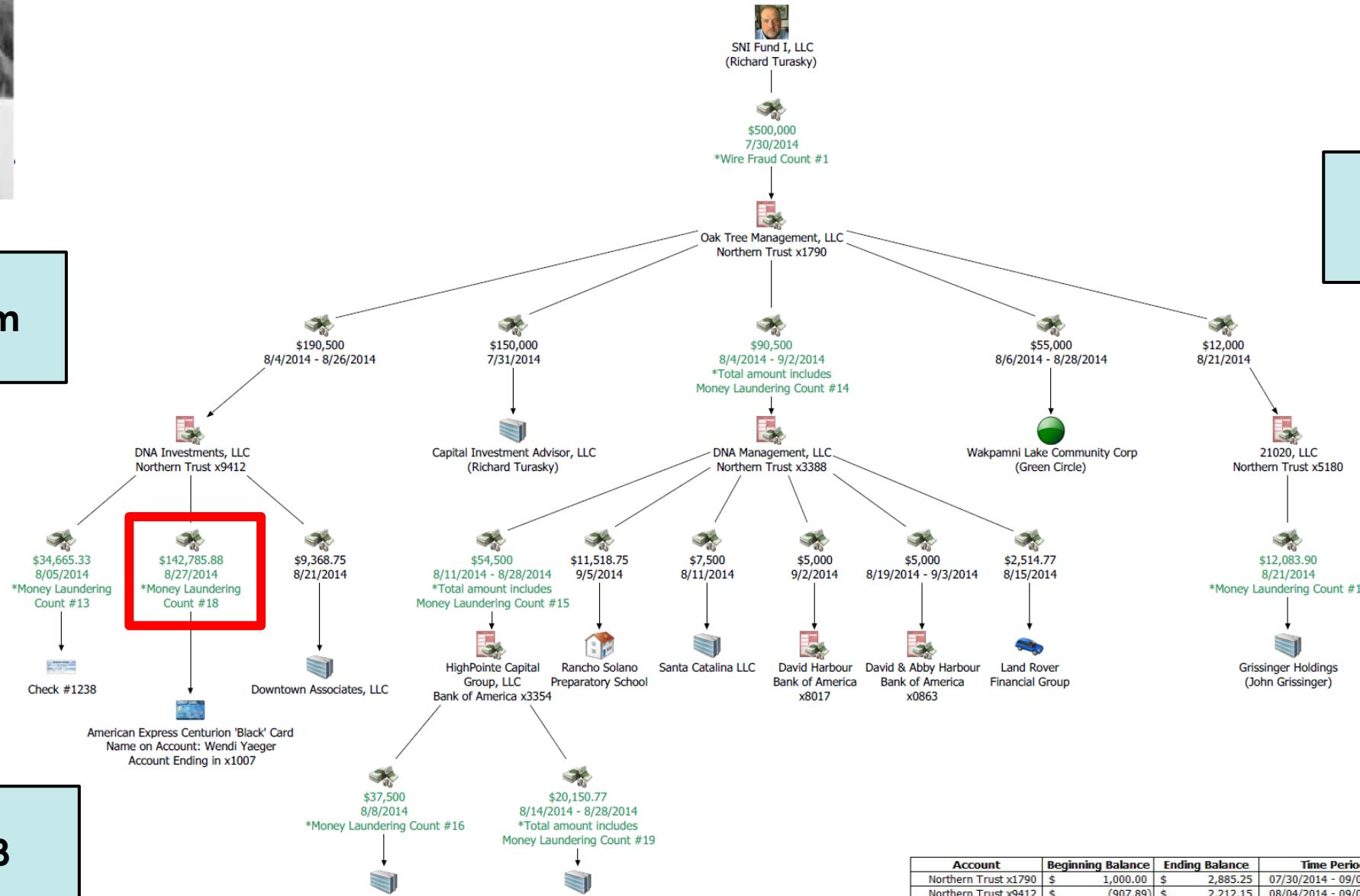
| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| Northern Trust x1790  | \$ 1,000.00       | \$ 2,885.25    | 07/30/2014 - 09/02/2014 |
| Northern Trust x9412  | \$ (907.89)       | \$ 2,212.15    | 08/04/2014 - 09/02/2014 |
| Northern Trust x3388  | \$ 961.57         | \$ 196.31      | 08/04/2014 - 09/05/2014 |
| Bank of America x3354 | \$ 17,145.33      | \$ 4,595.34    | 08/08/2014 - 08/28/2014 |
| Northern Trust x5180  | \$ 1,612.31       | \$ 1,528.41    | 08/21/2014              |



DAVID HARBOUR

## Proceeds derived from count #1

Count #18



Date:  
8/27/2014

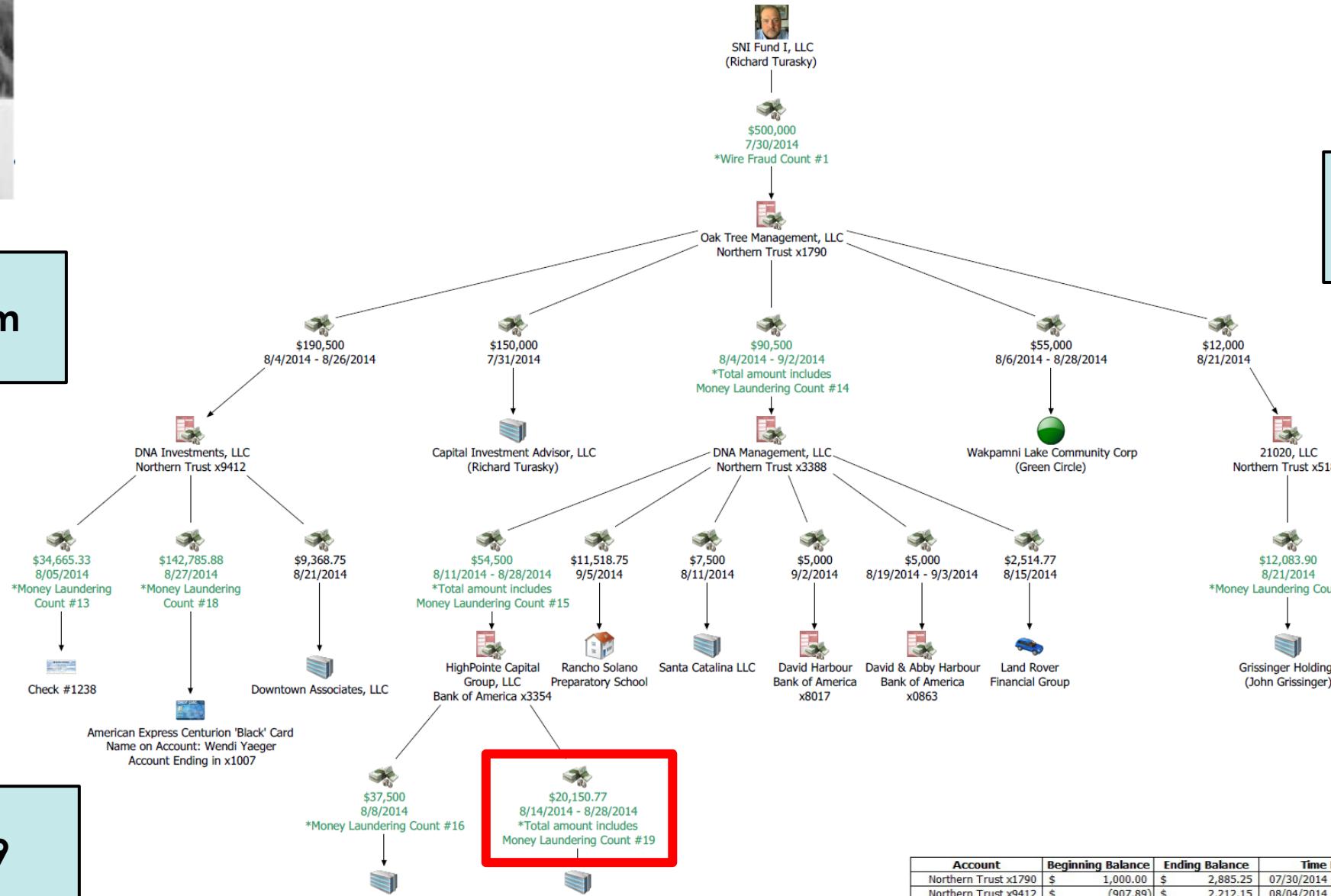
| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| Northern Trust x1790  | \$ 1,000.00       | \$ 2,885.25    | 07/30/2014 - 09/02/2014 |
| Northern Trust x9412  | \$ (907.89)       | \$ 2,212.15    | 08/04/2014 - 09/02/2014 |
| Northern Trust x3388  | \$ 961.57         | \$ 196.31      | 08/04/2014 - 09/05/2014 |
| Bank of America x3354 | \$ 17,145.33      | \$ 4,595.34    | 08/08/2014 - 08/28/2014 |
| Northern Trust x5180  | \$ 1,612.31       | \$ 1,528.41    | 08/21/2014              |



DAVID HARBOUR

Proceeds derived from count #1

Count #19



Date:  
8/28/2014

| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| Northern Trust x1790  | \$ 1,000.00       | \$ 2,885.25    | 07/30/2014 - 09/02/2014 |
| Northern Trust x9412  | \$ (907.89)       | \$ 2,212.15    | 08/04/2014 - 09/02/2014 |
| Northern Trust x3388  | \$ 961.57         | \$ 196.31      | 08/04/2014 - 09/05/2014 |
| Bank of America x3354 | \$ 17,145.33      | \$ 4,595.34    | 08/08/2014 - 08/28/2014 |
| Northern Trust x5180  | \$ 1,612.31       | \$ 1,528.41    | 08/21/2014              |



DAVID  
HARBOUR

Proceeds  
derived from  
count #1

Count #19

Date:  
8/28/2014

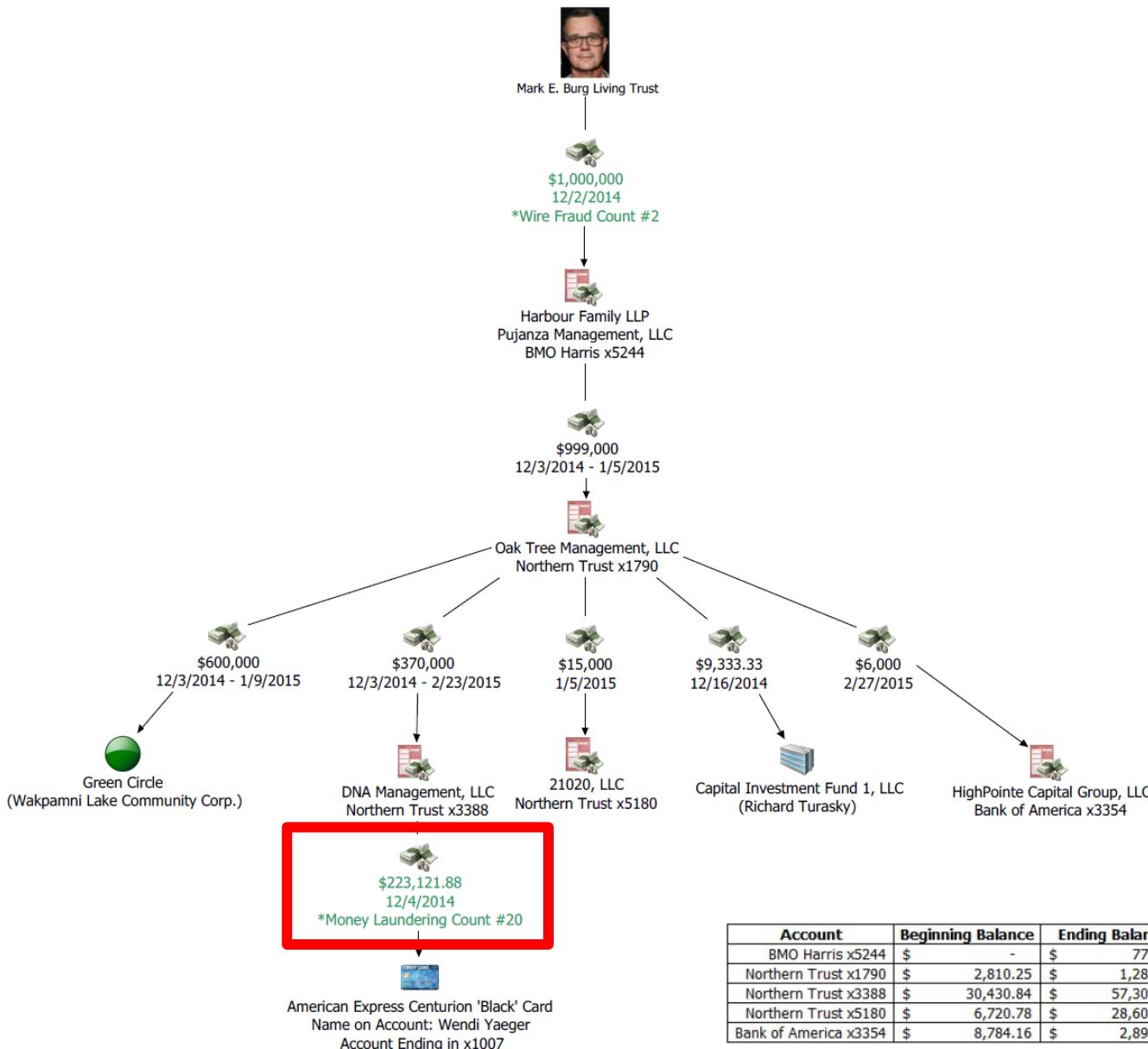
| Underlying Detail - HighPointe Capital Group, LLC Bank of America x3354 |   |             |   |  |                 |                |              |
|---|---|-------------|---|--|-----------------|----------------|--------------|
| August 8, 2014 - August 28, 2014  |   |             |   |  |                 |                |              |
| Item Number   | Account   | Posted Date | Description   | Paid To/From                                       | Outflows Detail | Inflows Detail | Balance      |
| 1   | HighPointe Capital Group, LLC Bank of America x3354 | 8/8/2014    | Beginning Balance   |  |                 |                | \$ 17,145.33 |
| 2   | HighPointe Capital Group, LLC Bank of America x3354 | 8/8/2014    | Counter Credit<br>(Check #5229 Deposited)   | DNA Management, LLC Northern Trust x3388           |                 | \$ 37,500.00   | \$ 54,645.33 |
| 3   | HighPointe Capital Group, LLC Bank of America x3354 | 8/8/2014    | WIRE TYPE:WIRE OUT DATE:140808 TIME:1515<br>ET 903708080272749<br>TRN:2014080800272749 SERVICE REF:009636<br>BNF:Herrington Park 1, LLC ID:246522 BNF<br>BK:Bank OF Blue Valley ID:101005027 PMT<br>DET:1488F13255HG0E7 4 | Herrington Park 1, LLC                             | \$ (37,500.00)  |                | \$ 17,145.33 |
| 4   | HighPointe Capital Group, LLC Bank of America x3354 | 8/12/2014   | CHECK #3018   | INCA   | \$ (10,312.50)  |                | \$ 6,832.83  |
| 5   | HighPointe Capital Group, LLC Bank of America x3354 | 8/14/2014   | EMPLOYMENT EDGE DES:INVOICE ID:H024552<br>902525013761051<br>INDN:MAIN C ID:2271549152 CCD  | Employment Edge                                    | \$ (6,468.08)   |                | \$ 364.75    |
| 6   | HighPointe Capital Group, LLC Bank of America x3354 | 8/15/2014   | 07/14 ACCT ANALYSIS FEE   | Bank Fee   | \$ (86.72)      |                | \$ 278.03    |
| 7   | HighPointe Capital Group, LLC Bank of America x3354 | 8/18/2014   | Online Banking transfer from CHK 6443<br>957108187589896<br>Confirmation 2837566801   | Bank of America 6443<br>(HPCG Hospital Investment) |                 | \$ 2,000.00    | \$ 2,278.03  |
| 8   | HighPointe Capital Group, LLC Bank of America x3354 | 8/20/2014   | Online Banking transfer to CHK 8017<br>957208207587183<br>Confirmation 0457918381   | Bank of America 8017<br>(David Harbour)            | \$ (1,000.00)   |                | \$ 1,278.03  |
| 9   | HighPointe Capital Group, LLC Bank of America x3354 | 8/27/2014   | Counter Credit<br>(Check #5230 Deposited)   | DNA Management, LLC Northern Trust x3388           | \$ 17,000.00    | \$ 16,278.03   |              |
| 10  | HighPointe Capital Group, LLC Bank of America x3354 | 8/28/2014   | Employment Edge DES:INVOICE ID:H024611<br>902539013192246<br>INDN:MAIN CO ID:2271549152 CCD   | Employment Edge                                    | \$ (13,682.69)  |                | \$ 4,595.34  |



DAVID HARBOUR

Proceeds derived from count #2

Count #20



Date:  
12/4/2014

| Account               | Beginning Balance | Ending Balance | Time Period            |
|-----------------------|-------------------|----------------|------------------------|
| BMO Harris x5244      | \$ -              | \$ 772.93      | 12/2/2014 - 1/5/2015   |
| Northern Trust x1790  | \$ 2,810.25       | \$ 1,281.92    | 12/3/2014 - 2/27/2015  |
| Northern Trust x3388  | \$ 30,430.84      | \$ 57,308.96   | 12/3/2014 - 12/12/2014 |
| Northern Trust x5180  | \$ 6,720.78       | \$ 28,608.53   | 1/5/2015               |
| Bank of America x3354 | \$ 8,784.16       | \$ 2,896.50    | 2/27/2015              |

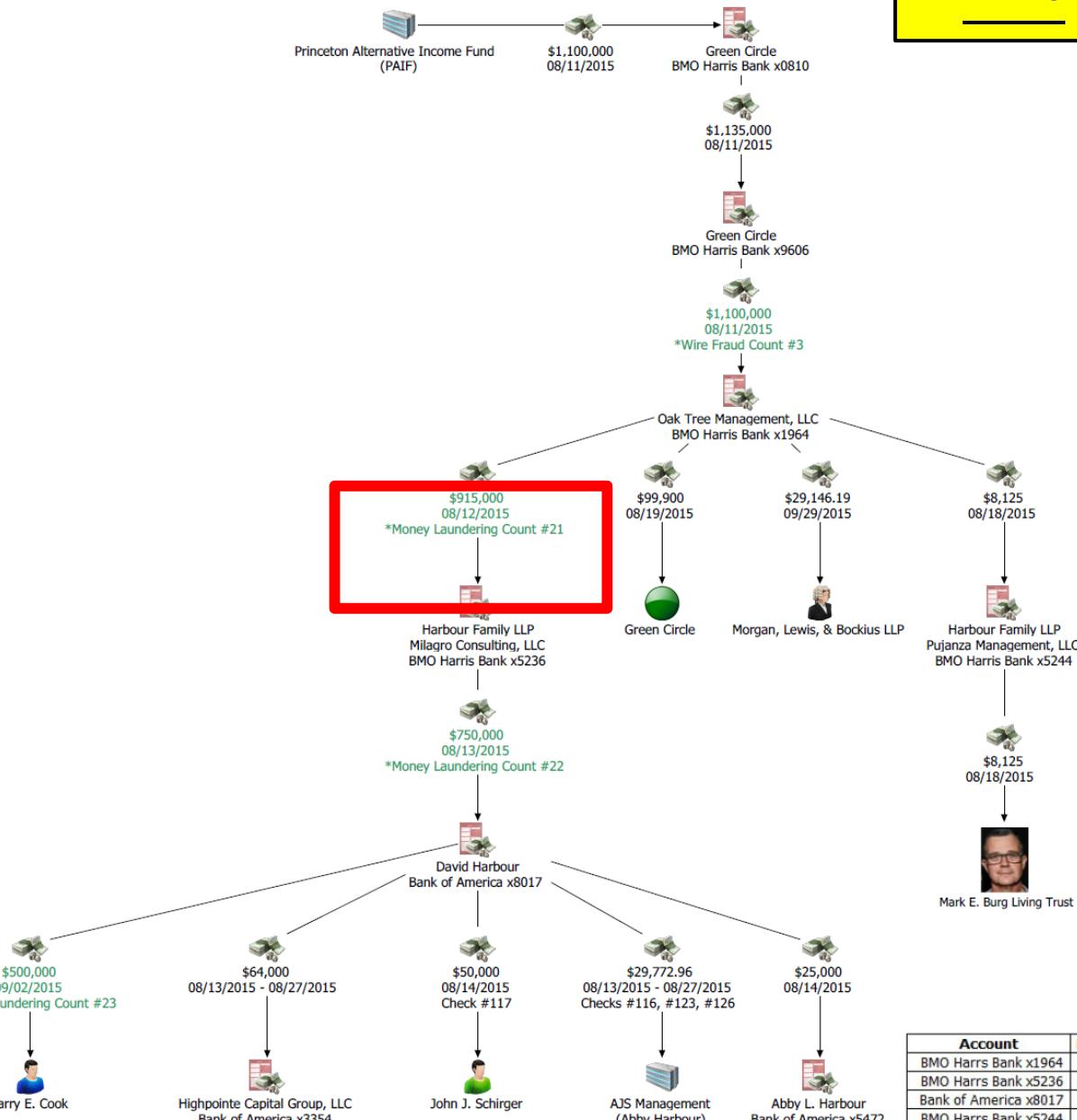
Not Guilty

 Guilty

DAVID HARBOUR

Proceeds derived from count #3

Count #21



Date:  
8/12/2015

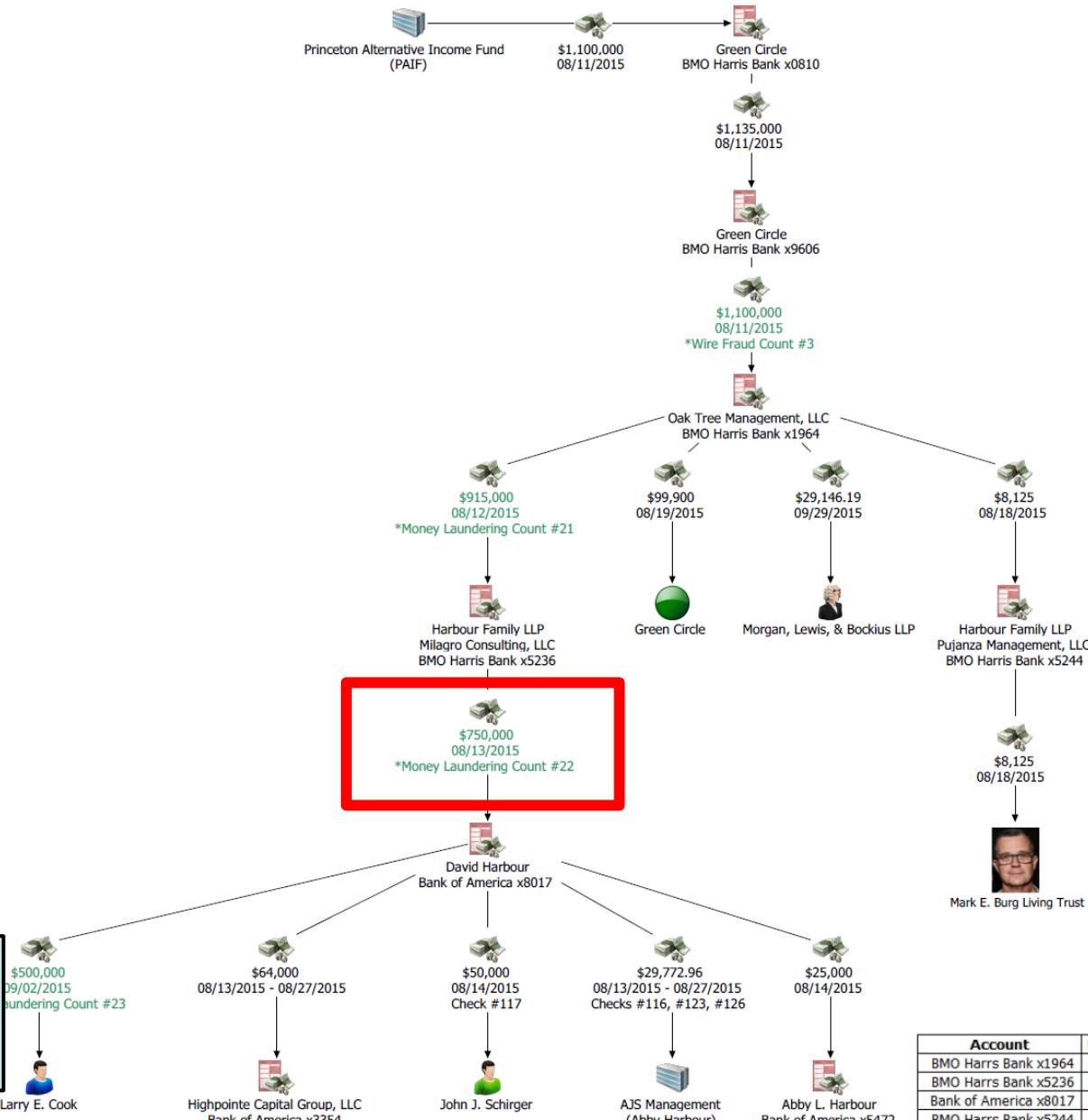
| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| BMO Harris Bank x1964 | \$ (69.59)        | \$ 55,333.04   | 08/11/2015 - 09/29/2015 |
| BMO Harris Bank x5236 | \$ 2,962.25       | \$ 58,295.29   | 08/12/2015 - 08/13/2015 |
| Bank of America x8017 | \$ 19,580.88      | \$ 64,295.71   | 08/13/2015 - 09/02/2015 |
| BMO Harris Bank x5244 | \$ 166.59         | \$ 166.59      | 08/18/2015              |



DAVID HARBOUR

Proceeds derived from count #3

Count #22



| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| BMO Harris Bank x1964 | \$ (69.59)        | \$ 55,333.04   | 08/11/2015 - 09/29/2015 |
| BMO Harris Bank x5236 | \$ 2,962.25       | \$ 58,295.29   | 08/12/2015 - 08/13/2015 |
| Bank of America x8017 | \$ 19,580.88      | \$ 64,295.71   | 08/13/2015 - 09/02/2015 |
| BMO Harris Bank x5244 | \$ 166.59         | \$ 166.59      | 08/18/2015              |

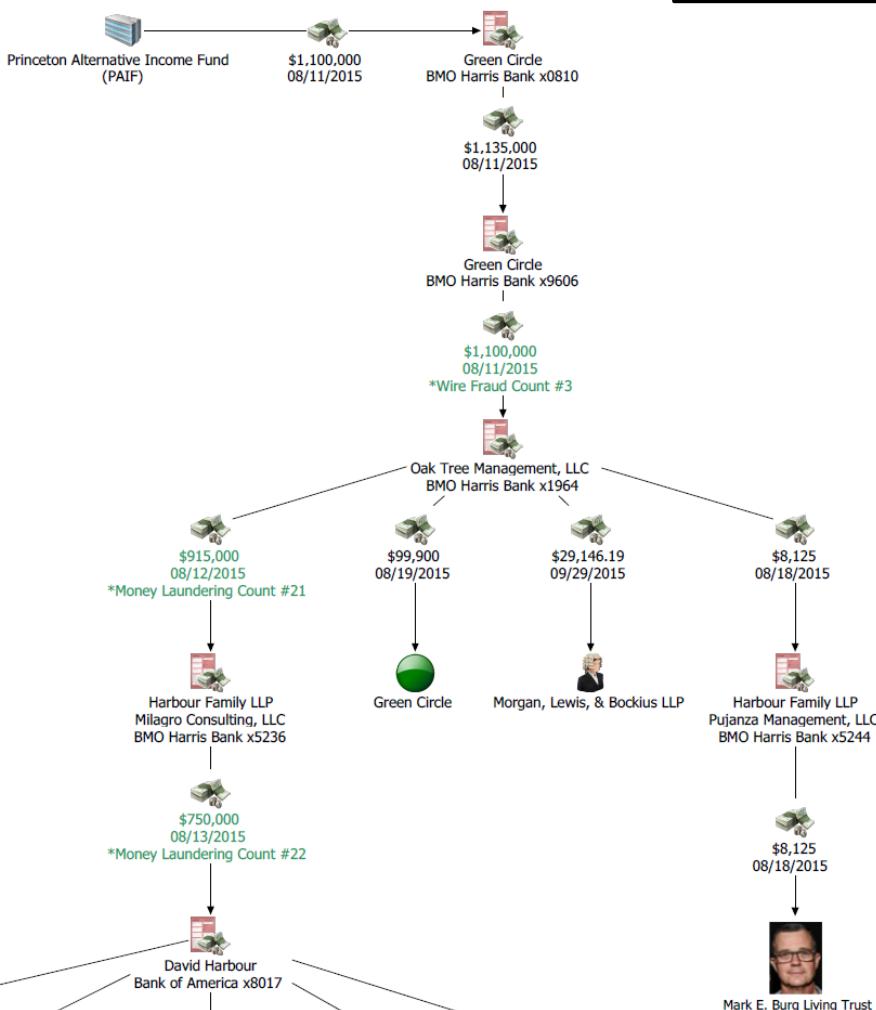
Date:  
8/13/2015



DAVID HARBOUR

Proceeds derived from count #3

Count #23



| Account               | Beginning Balance | Ending Balance | Time Period             |
|-----------------------|-------------------|----------------|-------------------------|
| BMO Harris Bank x1964 | \$ (69.59)        | \$ 55,333.04   | 08/11/2015 - 09/29/2015 |
| BMO Harris Bank x5236 | \$ 2,962.25       | \$ 58,295.29   | 08/12/2015 - 08/13/2015 |
| Bank of America x8017 | \$ 19,580.88      | \$ 64,295.71   | 08/13/2015 - 09/02/2015 |
| BMO Harris Bank x5244 | \$ 166.59         | \$ 166.59      | 08/18/2015              |

# Conclusion

- ▶ Defendant ran 10-plus year scheme to defraud, defrauding at least 15 investors
- ▶ Defendant did not tell the truth to people who trusted him with their money
- ▶ Defendant used investor funds to enrich himself and his family
- ▶ Defendant continued to present a façade of success to lure in new investors
- ▶ Defendant continued creating excuses for not providing investors their money back
- ▶ **Defendant is Guilty on all counts**





United States

v.

David Harbour